

**Is there a market demand for junction box of Russian manufacturer Gefest Group in Finland?**

**Case: Gefest Group Ltd**

Natalia Nurminen

<b>Author(s)</b> Natalia Nurminen	
<b>Degree programme</b> <b>Degree programme in International Business Management (IMBA)</b>	
<b>Thesis title</b> Is there a market demand for junction box of Russian manufacturer Gefest Group in Finland? Case: Gefest Group Ltd	<b>Number of pages and appendix pages</b> <b>75+4</b>
<p>Throughout the last decade, internationalization of enterprises has increased significantly as a result of market globalization. Products and services became as adaptive as possible so that they can easily enter different national markets. There are always some challenging questions in front of a new entrepreneurial firm: how and why entrepreneurial firms decide to enter a foreign market, whether there is demand for their products and what steps should be done in the beginning of market entry process.</p> <p>This study is focused on the research of the demand of junction boxes produced by Russian manufacturer Gefest Group in Finland. The goal of this study is to have a picture of the market potential for junction boxes, give recommendations for market entry strategy and answer the question: how a junction box should be modified or adjusted in order to be competitive in the Finnish market. Since the company has done already many steps to prepare themselves for exporting, this research evaluates how ready Gefest is to start exporting to Finland and what would be the key activities that the Gefest Group should focus on in the very beginning.</p> <p>In order to achieve the goal, the author has studied different market entry strategies, examined internal and external factors influencing on successful market entry and revealed market entry barriers for the company.</p> <p>The research was concluded as a case study research, where the research philosophy chosen was pragmatism. Inductive approach is used in this thesis. A mixed method, a combination of qualitative and quantitative data collection techniques and analytical procedures, is used as a methodological choice of the research.</p> <p>Due to the recent quarantine situation in Finland and Russia, it was not possible to proceed the implementation stage fully, however the author presented a strategy for further implementation in the end of this thesis. Furthermore, the research includes recommendations for further actions and for better market understanding to the commissionary company. All objectives of the study have been completed.</p>	
<b>Keywords</b> Internationalization, Market Entry Strategy, junction boxes in the Finnish market	

## Table of contents

1	Introduction .....	1
1.1	The company Gefest Group .....	2
1.2	Needs and objectives.....	4
1.3	Research problem and questions.....	4
1.4	Delimitations .....	5
1.5	Thesis arrangement .....	5
2	The concept of strategy.....	7
2.1	Market entry strategy .....	7
2.1.1	The international life-cycle theory.....	7
2.1.2	Locational concepts .....	9
2.1.3	The internalization theory .....	10
2.1.4	The Eclectic Paradigm .....	10
2.1.5	The Uppsala Model of Internalization .....	11
2.1.6	Network Theory of Internationalization .....	13
2.1.7	The Diamond model.....	14
2.2	What factories influence on successful market entry? .....	16
2.2.1	Internal factors .....	16
2.2.2	External factors .....	18
2.3	Market entry barriers.....	20
2.4	Theoretical framework summary .....	21
3	Research methodology .....	27
3.1	Research philosophy and approach.....	27
3.2	Research approach.....	28
3.3	Research design .....	28
3.4	Data collection .....	31
3.5	Data analysis .....	35
3.6	Ethical issues.....	36
3.7	Validity .....	37
3.8	Reliability .....	38
4	Competitor analysis.....	40
4.1	Porter Five Forces .....	41
4.2	The structure and tools used for the competitor analysis.....	43
4.3	Benchmarking competitors in Finland .....	44
4.4	Social media analysis.....	48
4.5	Strategic positioning.....	49
4.6	Unique Value Proposition (UVP) and competitive advantage .....	51
5	Summary and conclusions .....	54

5.1	Answers for the research questions .....	54
5.2	Research outcome and research objectives.....	59
5.3	Recommendation for further actions .....	60
5.3.1	Recommendations based on my research .....	60
5.3.2	Recommendation for better market understanding.....	62
5.4	Personal reflections on the learning from the project.....	63
5.5	Strategy for further implementation .....	64
	References .....	66
	Appendices.....	75
	Appendix 1. Details of data collection by interviews (confidential) .....	75
	Appendix 2. Technical passport of fireproof junction box JBG1515M IP66 (16*2,5) .....	76
	Appendix 3. Hensel Fire room standards. ....	77
	Appendix 4. List of questions for the interview with experts (confidential) .....	78

## 1 Introduction

A problem that internationalizing companies frequently face is how much planning and research they have to do before they start to internationalize and whether they should go alone or with a partner into new foreign market (Chetty, Ojala, Leppöaho 2015). While there is a well-established theoretical framework, literature and case study examples, there is always a challenging question in front of a new entrepreneurial firm: how and why entrepreneurial firms decide to enter a foreign market, is there demand for their products and that steps should be done in the begging of market entry process.

The idea of this thesis came from the needs of Russian company Gefest Group and their ambitions to come to European market. The CEO of Gefest Group had many private connections in the past with Finland and he always kept in mind that relatively small Finnish market could be a good learning platform before moving on to other Scandinavian countries or to Western Europe. The company is based in St-Petersburg and there is an interesting geographical advantage for starting export to Finland.

This study is focused on the researching the demand of junction box of Russian manufacture Gefest Group in Finland. The goal of this study is to have a picture of the market potential for junction boxes, give recommendations for market entering strategy or possibly answer the question how does their product should be modified or adjusted in order to be competitive in Finnish market.

I am, as researcher, inquisitive above that particular R&D problem because I worked in a Sales and Business Development for an international company and through my work, I got a diverse business experience of selling products with special features in my operational market. As it recommended in different studies and as it confirmed from my working experience, before a company starts selling, you have to conclude a market research and learn about market potential and possible demand. I am interested in studying a new product, explore a new industry, new market and thought this thesis get a hands-on experience on how to bring a new product manufactured in Russia to Finland. I would like to learn what strengths, weaknesses, opportunities, and threats should be considered and what market entry model can be suggested as the most effective for the Gefest Group.

Personally, I feel attracted to that thesis project because I believe that it will increase my expertise in international marketing and improve my knowledge about business development, international marketing and market entry strategy. I would like to study how to bring a new, not familiar product for me to a market, to learn about construction industry in Finland, to study what factors should be considered at the first priority entering new market and what steps can be recommended to internationalizing enterprise.

It is a challenge and an interesting opportunity to do a project for Russian manufacturer, who would like to start exporting to Finland. I am confident that this research has a valuable meaning for the sponsor company Gefest Group, and it will be used for developing further company's sales strategy. The company is in front of their big decision: to focus on local market and develop new products or to export and invest into a new market penetration. I believe that my thesis will provide a reasonable help with making such an important strategic choice.

### 1.1 The company Gefest Group

The sponsor company is Gefest Group, as they describe themselves, they are "the Russian leading manufacturer of sprinklers, fireproof cable lines and fire monitoring equipment" (Gefest-spb.2018a). The target product of this research, junction box, falls into Cable line products category line, which main component are presented in Figure 1.



Figure 1. Cable line. Based on Gefest-spb.2018f.

Gefest Ltd was founded in 1999 in St-Petersburgh as a specialized fire-safety enterprise. For the years of work the organization has developed into Gefest Enterprise group that now is the leading Russian designer, manufacturer and supplier of fire-protection production and services. There are more than 200 people working in the company now (Gefest-spb.2018a).

Gefest group includes several companies under same umbrella. Holding Gefest Ltd acts as a general contractor during the implementation of large projects, implements research and development construction works during creation of new hi-tech products in the sphere of fire-safety, introduces innovation technologies in the production of Gefest group.

Gefest Ltd offers a full range of fire-protection works, which cover normative-technical works, designing, equipment supply, erection and adjusting works and maintenance works of fixed fire-protection systems.

Gefest Group widely uses self-produced equipment in implementation of its projects and equipment of other foreign and Russian manufacturers, among them are: ESMI Siemens, Autronica, Tyco, Viking, Honeywell, Argus-Spector, IRSET-Center, Artsok, Bolid, and others.

Gefest has a wide distribution chain all over Russia with about twelve dealers located in St-Petersburg, Moscow, Novosibirsk, Ekaterinburg, Perm and Belorussia. The distribution locations make possible to work with different regions and supply to main big cities and economical centers (Gefest-spb.2018e).

Gefest Group conducts such operations as design, mounting and adjusting of equipment according to Russian legislation requirements and with foreign standards of NFPA (National Fire Protection Association) and FM Global (Factory Mutual Research Corporation). High quality of production and services offered by Gefest group is confirmed by certificates of the quality management system ISO 9001:2015 (Gefest-spb.2018b).

Gefest Group holds 31 invention patents issued by Russian Patent Organization in period from 2008 until 2018, one of the patents is from European Patent office in Munich in Germany from 13.05.2015 (Gefest-spb.2018g). All the above facts are saying about serious R&D work, 21 years of business experience and academical approach combined with practical knowledge of construction industry in Russia.

This thesis research has the following chapters: introduction, the concept of strategy including market entry barriers, research methodology, competitor analyse and summary and conclusion. The chapter Summary and conclusion consists of recommendations for further actions and personal reflections on the learning from the project.

## **1.2 Needs and objectives**

In this chapter is going to explain why this research is needed and who is going to benefit from the research. First, it is important to mention that the sponsor company, Gefest Group, has been already looking for a partner in Finland for some time and they have been interested to go to abroad and start exporting. As Gefest Group developed successful sales records of junction boxes in Russian market during 21 years, there is an assumption that the same product would have potential market in neighbor country of Finland, where Gefest can have competitive advantages and benefit from their low production costs in Russia.

This thesis will help Gefest Group to understand their market potentials, learn the demand for junction boxes in Finland and as the final research's outcome Gefest Group can figure out and investigate whether they are able to sell their products in Finland and what should be done in order to start the sales. In case of positive result of R&D study, Gefest Group would be able to export junction boxes to Finland and start their first export activity outside of home country Russia. Gefest Group can hopefully enjoy the profitable business in the end. This is the most remarkable value of the thesis for the organization Gefest Group.

I heard about Gefest Group and their ambitions to start selling in Finland though the mutual network in Helsinki and I got in touch with the company. The company confirmed that they would be interested in my research as they are interested in Finnish market. The company wants to grow, entry new market and explore export possibilities for their products, therefore the marketing research of Finnish market would be a first step for a new business strategy.

## **1.3 Research problem and questions**

It is of vital importance to define the research questions and this step is the most important step in research project (Glowik 2016, 6). This thesis describes the process of studying the Finnish market for a Russian manufacturing company Gefest Group, which is going to enter the market and launch the junction boxes in Finland.

The main research problem formulating the following: Is there a market demand for product junction box of Russian manufacture Gefest Group in Finland?

Sub-questions:



1. What are the threats presented in current Finnish market and how Gefest can overcome them?
2. How ready is Gefest to start exporting to Finland?
3. How the junction box can be adjusted / modified in order to be competitive in Finnish market? What are the legal norms in Finland?
4. What would be the key activities that Gefest Group should focus on in the very beginning?

Analysing these sub-questions will help me to better and deeper answer the main research question and at the same time each of the question will contribute to the solution of the main research problem and to further recommendations.

#### **1.4 Delimitations**

This thesis intends to study a market demand for product junction box of Russian manufacture Gefest Group in Finland. The research expects to give recommendation for market entry strategy and answer the question how the junction box should be modified or adjusted in order to be competitive in Finnish market. However, the thesis does not intend to describe the sales planning process, sales strategy, and detailed action plan. Furthermore, in this thesis I am not going to discuss different market entry strategy models, for example direct exporting, licencing, franchising, partnering, joint venture and other models. All the above questions are going to be out of scope of this research.

#### **1.5 Thesis arrangement**

The thesis research consists of two parts: the theoretical framework and the empirical part. The conceptual framework provides a structure based on the literature review, earlier studies and publications. The empirical section describes the market potential and analyse the market demand of junction boxes in Finland. I am doing to do the following steps to be able to give an objective answer:

- a) Study market entry barriers
- b) Analyse external and internal factors which influence to successful market entry
- c) Visit local wholesalers' stores

- d) Benchmark similar competitors
- e) Analyse social median
- f) Carry out in depth interviews with experts, key persons, and opinion leaders in construction area
- g) Utilise discussion with Gefest Group sales team, company's CEO, entrepreneurs, and consultants in Finland to generate insights and learn from their experience

## **2 The concept of strategy**

It is well understood that the concept of strategy is the most essential part of strategic management of any company. However, according to Collis and Rukstad (2008) only very few executives can clearly explain what their company's strategy is even though these executives work for the most successful companies in their industries. "Companies that don't have a simple and clear statement of strategy are likely to fall into the sorry category of those that have failed to execute their strategy or, worse, those that never even had one", warning Collis and Rukstad (2008, 84). We certainly agree with the opinion of Collis and Rukstad that it is necessary to have a simple, clear, successful strategy statement that everyone employee can internalize and use as a guiding light for making difficult business decisions and understand the three critical components of a good strategy statement: objective, scope, and advantage.

### **2.1 Market entry strategy**

There is a well-known concept that theory should support business practice. Theories should develop new ideas for understanding and conceptualizing a challenging research issues, ideas that may suggest potentially fruitful and practical avenues for dealing in a certain situation in a real working life (Vansteenkiste & Sheldon, 2006, 63), but we understand that there is always a great challenge to combine theory and business practice.

This chapter is going to discuss most important market entry theories, including international life-cycle, Internalization, Location, Electric Paradigm, Uppsala, Diamond and Network model. Main concepts and a review of their conceptual weaknesses are presented also in each subchapter.

#### **2.1.1 The international life-cycle theory**

The international product life-cycle economic theory was developed by Raymond Vernon in 1966 to explain the founded pattern of international business (Vernon, 1966). It was presented from the perspective of US-based enterprises and their international activities after World War II and until 1960s. The theory suggests that at the first phase in a product's life-cycle all the parts and labor of the product come from the area of its creation. After the product becomes adopted and used in the world markets, production gradually moves

away from the point of origin. In some situations, the product becomes an item that is imported by its original country of invention.

According to Verner, a company's market entry activities depend on the product's position in the lifestyle. At first, a new innovative product is invented, developed, produced and sold in the home market. In the second phrase the product's export starts and while the product became manure, direct foreign investments abroad begin. Finally, import from abroad increases, production is discontinued in the home market and the demand is supplied by foreign country. At this last stage the product achieved its decline phase of its life-style. The illustration of Verner's product life-cycle theory is presented in Figure 2 below.

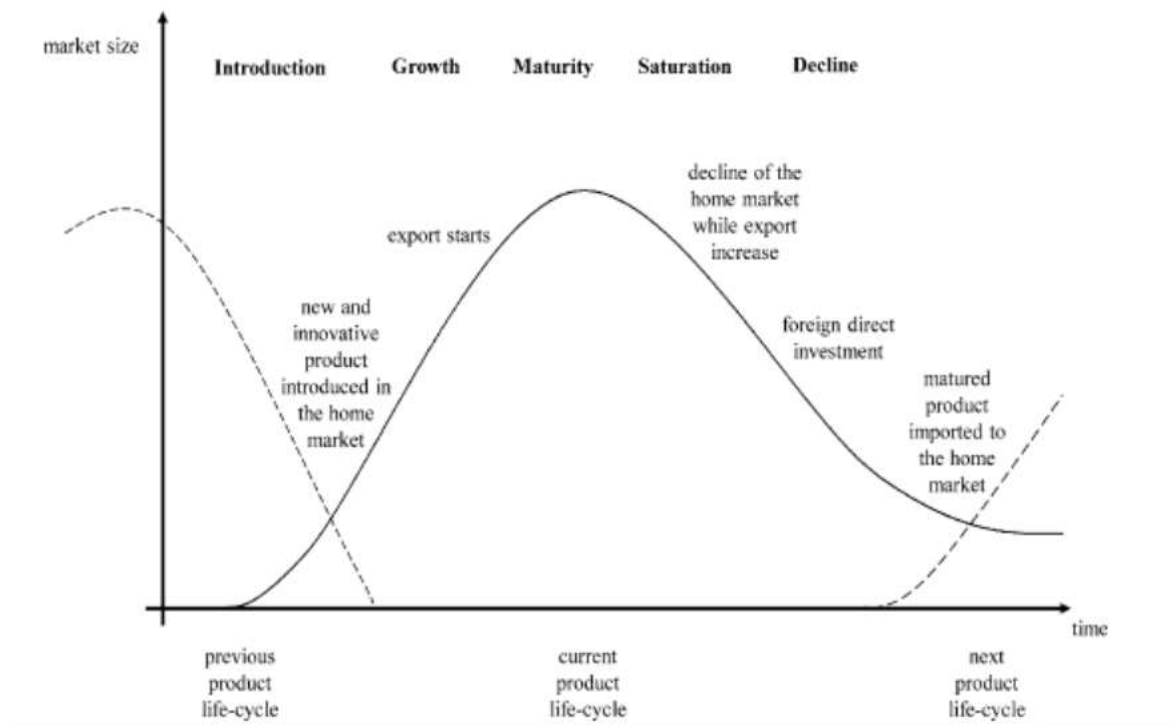


Figure 2. Changing market entry strategies according to the product's life-cycle position (Glowick, 2016, 20)

Vernon's theory has made a significant contribution to the internationalization concept discipline and it provide a useful explanation to the post-World War II expansion of the USA to Europe (Glowik, 2016, 21). However, the model can be criticized in general because its presumes an ideal product life style with international foreign activities and attractive American home market, whom which U.S. companies begin their global activities. The

model ignores tariff and non-tariff trade barriers as well as behavioral aspects. Another limitation of the model is that it neglects threat of product substitution through upcoming nations and their industries. Vernon's model is focused on manufacturing industries rather than on services (Glowick, 2016, 112)

After the first publication Vernon agreed that there are several differences between countries in view of cost and market conditions. Today the international life-style theory has lost much of its validity after economic and political progress in world trade (Glowik, 2016, 22). Other international models have been developed, which will be presented in the next following chapters.

### **2.1.2 Locational concepts**

The concept of locational model is based on the optimal location of the input variables, which need for efficient and innovative manufacturing. For examples according to the location theory the location of the production is determined by the resources and the decisive factors of the location are the cost of transportation and trade barriers. In case the transportation costs are high then the production place is located in the country or region where the product will be marketed and sold.

In general, the locational concept claims that country- and industry specific factors influence a firm's innovation, business orientation and performance. For foreign company the market entry strategy depends on the location factors of the target country, which can be macro-environmental (PESTEL analysis) and industry-environmental (Porter industry analysis) (Glowik, 2016, 22-29). PESTEL and Porter's five forces analysis are a well-known and widely used tools for scanning location factors.

The weak point of that theory is that the location factor approach does not give a reliable picture about the relative meaning of each of the individual factors and the theory cannot provide recommendations for how to achieve competitive advantage for the firm in foreign market. It is really problematic to measure the weight of competitive advantages empirically and some assumptions can have a speculative hypothetical meaning.

Despite all weaknesses locational theory is very well known and widely used in international business (Glowik, 2016, 44).

### **2.1.3 The internalization theory**

The internalization theory is based on the study of Buckley and Casson (1976), which is found on transactional cost approach of Coase and market-hierarchy paradigm of Williamson (1975). According to the theory firms maximize their profits in an imperfect competition environment and focus on transaction costs as main impulse for foreign market entry (Buckley & Casson, 1976, 33). Barkley and Casson bring the idea of the transactional cost concept to the idea of the multinational enterprise (MNE). They describe and explain MNE phenomena, identify different factors determine company's internationalization decision, especially internal market organization and coordination.

The International model is based on rational way of thinking because of the transactional cost theory; however, it pays very little attention to behavioral aspects like ethics, culture and norms (Glowik, 2016, 59). The model considers the role of 'knowledge' in foreign investment decisions as argued to market transaction.

The internalization concept explains the growth of MNEs domestically and internationally. It focuses on company's motives to internationalize but does not consider the potential of national government and their political influence on MNE investment decision. The concept ignores tariffs and non-tariff barriers, legal aspects and tax policies in the target markets. As an additional limitation the international theory disregards of 'follow-the-customer' phenomenon (Glowik, 2016, 113)

### **2.1.4 The Eclectic Paradigm**

The Eclectic Paradigm theory was developed by Dunning in 1976, who stated that the choice of the international market entry strategy depends on advantage categories for MNE such as: ownership-specific, internalization and location advantages (Dunning 1988). The combination of advantage categories gives the basis for management decision whether to proceed with export, contractual entry modes such as licensing, franchising or foreign direct investment. The advantage category and suggested market entry strategies are illustrated in Figure 3.



Figure 3. A firm's international market entry modes and their depending on the advantage categories (Glowick, 2016, 62).

The Eclectic paradigm theory was created on different existing market entry models: international theory, the resource-based view and the location theory. Mixing of three different and sometimes overlapping models and high models' complexity were a reason for criticism. According to Glowik (2016, 63-64) these theories make the eclectic paradigm very complex, limit validity testing of the model and make it difficult to use. The three advantage categories are formulated too generally so it is impossible to suggest recommendations for an MNE's international strategy. The eclectic theory can be rather suitable when considering manufacturing industry instead of internet-based services. The theory assumes a rational thinker, who makes decision mainly based on the cost calculation but at the same time it is difficult to accept a behavioural aspect of the management, which is also influence market entry decision.

### 2.1.5 The Uppsala Model of Internalization

In the middle of 1960<sup>th</sup> one of the pioneers of internationalization theories states that the company overcomes international barriers when entering foreign markets. Using their gained experience in foreign activities, firms are willing to enter one market after another. Through the foreign operations firm get the experience of risk handling, decision making process and building the knowledge how to conduct business in diversified markets (Glowik, 2016, 64). Based on observation of Swedish industrial companies, Johanson and Vahlne further developed the ideas of Carlos and introduced the international theory,

which later was named as Uppsala model of Internationalisation (Johanson & Vahlne, 1977).

According to Uppsala model, firms internationalize from physically and culturally close business territories to more distance markets and countries. Firms prefer entering new markets with lower physical distance, which is defined in terms of factors as differences in language, culture, political system and others (Johanson & Vahlne, 1977, 23-26). The model describes two major internationalization paths, at the start there is no regular export and business is concentrated in home market. Then export starts through independent representative or agent, later through sales subsidiary and finally the manufacture might be open in a new market (Johanson & Vahlne, 1977, 24).

The visual model of Uppsala theory is presented in Figure 4 below.

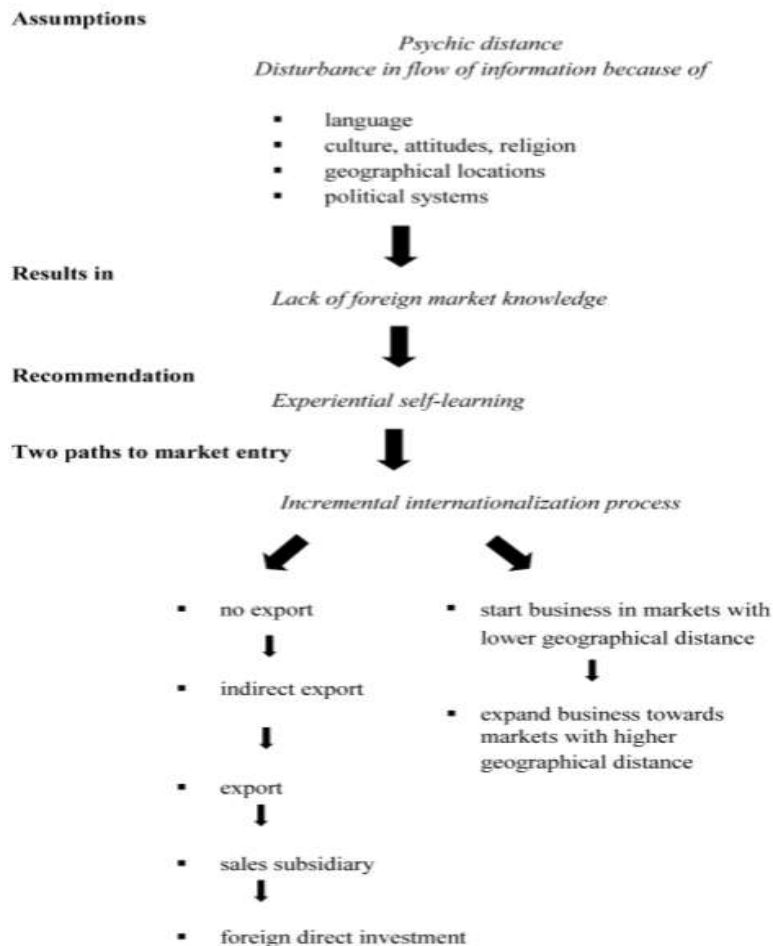


Figure 4. Two major internationalization process paths according to Uppsala model (Glowick, 2016, 67).



The Upsala internationalization theory has been criticized for its tendency to concentrate on experiential learning through commitment decisions and business activities abroad but ignores initiative learning, i.e. monitoring other firms acting in a similar way and assimilating their experience. A company can also decide market entry strategy according to forecasted opportunities and not only according to its current level of foreign business experience. There are more possible multifaced internationalization routes than the Upsala model suggests (Forsgren, 2002). For instance, making foreign acquisitions with the intention of learning about a certain market, or learning through network partners or organizations or searching information about radically new alternatives and invest abroad in accordance to this reach rather than according to their own experience (Forsgren, 2002, 273-274).

Several years after publishing the Uppsala theory, Johanson and Vahlne revised the model as firm behaviour and economic and regulatory environments have changes remarkably or did not exist when the Uppsala model was published. In the revised concept internationalization should be seen from a business network perspective of the environment faced by an internationalizing firm (Johanson & Vahlne, 1990). The network theory will be explained in the next chapter.

#### **2.1.6 Network Theory of Internationalization**

According to Axelsson and Easton (Axelsson & Easton, 1992) a network is a model that describes a number of entities or organizations that are connected. In international industrial networks, the entities are involved in the economical process that transform resources into finished goods and services. In an early theory of internationalization Oviatt and McDougall stated that an international new venture is a business organization that “from inception, seeks to derive significant competitive advantages from use of resources in the sale of outputs in multiple countries (Oviatt & McDougall, 1994, 49). Later international new venture’s definition was modified as a firm competes in several countries with operation in different international regions and targets numerous market segments (Zahra, Ireland & Hitt, 2000).

The main concept of the network theory of internationalization is that a firm’s international business success or failure is a result of its positioning in a network of firms and a result of their connection to each other. Firms that can entry new markets quickly, often have es-

established personal relations with the firms abroad. The networks are seen as asset of relationships between suppliers, manufactures, customers, merchandisers and other stakeholders. The learning process and knowledge transferring within the networks has a very high importance. Competitive advantages of a firm are achieved through dynamic capabilities fostered in networks and emerging global economy works as network of interlinked companies (Glowik, 2016, 115).

The network theory of internationalization has their obvious limitations as it is hard to test due to complexity of international networks and their influencing factors. The theory tends to focus on B2B markets, however research results and different case study examples are difficult to generalize (Glowick, 2016, 111-116).

### **2.1.7 The Diamond model**

The Diamond model is a tool for analyzing the organization's task environment. Michael Porter was a founder of the Diamond model, which expanded the competitive discussion to country levels among industrialized nations (Porter, 1990). It works to integrate much of Porter's previous work in his competitive five forces theory, his value chain framework as well as his theory of competitive advantage into a consolidated framework that looks at the sources of competitive advantage from the national context. It can be used both to analyze a firm's ability to function in a national market, as well as analyze a national market's ability to compete in an international market.

Porter described the competitive advantage of nations at the national level. According to Porter, the domestic environment provides the best prerequisites for firms to start foreign business engagement. Firms compete with global strategies selling worldwide, sourcing components and materials and locating activities in many nations to take advantages of national resource capacities.

Porter describes four central factors that influence gaining a competitive advantage in foreign market, which are shown in Figure 5 below.

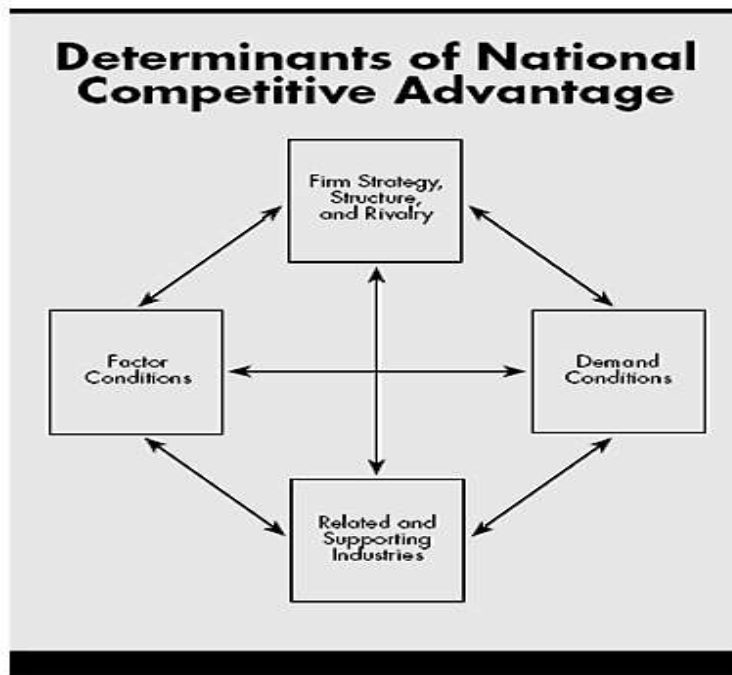


Figure 5. Determinates of National Competitive Advantages (Porter, 1990, 77)

The model recognizes four pillars of research such as factor conditions, demand conditions, related and supporting industries, firm structure, strategy and rivalry. These factors should be undertaken in analyzing the viability of a nation competing in a particular international market, but it also can be used as a comparative analyzing tool in recognizing which country a particular firm is suited to expanding into.

Porter claims that competitiveness of firms is influenced by country-specific conditions. Some enterprises have better prerequisites for successful international business activities than others because of their home market surroundings (Porter, 1990)

The Dimond model was broadly criticized from questioning the originality of the framework to the heavy dependence on world export shares as a measure of international competitiveness and Porter's methodology (Yong, 2019). The model lacks the precise recommendation about which circumstance allow a firm to gain competitive advantage and it neglects other countries and their impact on the home country with respect to the firm's competitiveness. It does not answer the question under which circumstances it is recommended to enter the market through export or through foreign direct investment. Moreover, the meaning of competitive advantage is empirically very difficult to quantify (Glowil, 2016, 40-111).

Porter's Diamond theory seems to draw extensively from an American perspective, and it misses a global approach (Yong, 2019).

## 2.2 What factories influence on successful market entry?

The international marketing for any company should first start with the very basic topic, which is situational analysis of the current business situation of your company. The situational analysis is a starting point and a foundation of the marketing plan. (Lake, 2017.) The situational analysis defines the internal and external factors of a business. It also identifies the capabilities, customers, potential customers, business environment and the impact they may have on organization or business. A situational analysis is an essential part of any business and the company should conclude it periodically to ensure that it is current.

### 2.2.1 Internal factors

This chapter is going to exam internal factors and answer the question whether Gefest Group is ready to start exporting to Europe. Internal factors analysis is a part of situational analysis, which is always recommended to do at a first phase of international marketing process (Schlich, A. 2018). A situational analysis helps in identifying strength, weakness, opportunities, and treats. It can help in determining the next step a business need to take within the marketplace or help a firm to go international. The SWOT analysis describing strength, weaknesses, opportunities, and treats is presented in table 1 below.

Table 1. SWOT analysis (adapted from gefest-spb.ru 2018a, gefest-spb.2018c, Ministry of Finance 2020, TradingEconomics 2020, gefest-spb.2018c).

Strenghts	Weaknesses
<ul style="list-style-type: none"><li>• 19 years of experience in Russian market</li><li>• Broad experience with working with different branches: administrative build-ings, science and education, oil&amp;gaz lo-cations, cultural objects, industry enter-prises, shopping centers, dwelling realty and others</li><li>• Competitive price for Finnish market</li></ul>	<ul style="list-style-type: none"><li>• Small company size</li><li>• Currently limited marketing resources.</li><li>• Limited international partners, no ex-perience to sell internationally</li><li>• No connection with construction indus-try in Finland</li><li>• Product liability law in Finland has to be studied</li></ul>

<ul style="list-style-type: none"> <li>• Favorable geographical location of manufacturing place in St-Petersburgh nearby Finland</li> <li>• Logistic and consulting partner in Kotka</li> <li>• Registered finish company in Vaalimaa</li> <li>• Quality management system ISO9001-2001, ISO 9001-2008</li> </ul>	<ul style="list-style-type: none"> <li>• “Made in Russia” might have not very positive image in construction industry in Finland</li> </ul>
<b>Opportunities</b> <ul style="list-style-type: none"> <li>• Finland’s construction sector growth rate in 2018 is 3-4%, in 2019-1%. Renovation and infrastructure construction will continue to grow at a slow rate.</li> <li>• Economic growth is estimated in 2020- 1.2%, in 2021- 1.1%</li> <li>• Construction work on healthcare and school buildings is expected to pick up again.</li> <li>• Inflation rate in Finland in a very modest level 1,5%</li> <li>• Exchange rate EURO/RUB</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>• Industrial safety law- need to study</li> <li>• Certification can be a market entry barrier</li> <li>• Substitute product from competitors that delivering similar product. Competitor gained the reputation and established customer relations already.</li> <li>• Regulations and laws are different in other countries and accessing construction sector and learning the decision-making process will take time and resources.</li> <li>• Inflation rate in Russia and exchange rate EURO/RUB</li> </ul>

Last three years the company Gefest Group has been doing several activities to prepare themselves for entering a European market, which are the following (gefest-spb.2018b, gefest-spb.2018b, gefest-spb.2018d):

- Participating and exhibiting at international fairs

Gefest group together with FR Engineering Centre of Fire Robots Technology took part in the international exhibition "FinnSec 2017" in Helsinki, 26-27th of September 2017  
Gefest participated in the international fire security exhibition IFSEC 2018 in London with their own booth.

Gefest took part in SKYDD-2018 fire-safety exhibition in Sweden 23-25 October 2018  
Gefest took part in the 41st meeting of the International Standard Organization ISO in Northbrook, USA, where ISO members discussed changes to the new edition of ISO 6182-1 Consolidated sprinkler standard, proposed by the Russian Federation

- Mr.Tanklevskiy, CEO, became a member of the National Fire Protection Association NFPA
- Gefest holds the quality management system Certificate in relation to rendering services corresponds to ISO 9001-ISO 9001:2015

- Gerefst employed a Sales Manager with a very good professional English language skill
- Gefest had a meeting with partners from China “Fuxeon” on December 5, 2018. The parties discussed cooperation in supply of components
- Gefest has started the certification according to ISO, EN and DIN
- Gefest opened a Finnish company E-Sprinkler Oy in Vaalimaa
- Gefest has a partner, logistic and consulting company in Kotka

Analyzing all the above activities we can conclude that Gefest is constantly following the European market trends, searching for partners and dealers, networking internationally and stay open for international contacts and projects. Gefest has starting certification and they are preparing documentations requested for European market. Gefest prepare themselves for starting export to Europe and has a good chance to start international activity outside of their home country.

### **2.2.2 External factors**

External factors have a clear impact to the business operation of a firm. According to Armstrong, Kotler and Opresnik (2017, 96), a company’s marketing environment consist of the factors & forces outside marketing that affect marketing management’s ability to develop and maintain successful relationship with the target customers. Thompson (2002) states that the business performance of the firm is highly depended on the external factors, and the performance and patterns of political, economic, social, technological environments will highly effect to the capital availability, operating cost and customer’s demand. Furthermore, Kotler (1997) strongly argues that when a firm clearly understands the political, economic, social, technological environments, a firm can better align its business strategy and operation to the appropriate with market’s patterns.

We decided to do a PESTEL analysis as a part of microenvironment study and to see if the market would be potential for Gefest Group. Political, Economic, Social, Technological, Environmental and Legal factors analyse PESTEL, which is presented in Figure 6, will be essential for understanding and studying business opportunities in the Finnish market.

# FINLAND. PESTEL ANALYSE



Figure 6. PESTEL analyse. (adapted from Business Finland.2018, Ministry of Finance 2020a, Ministry of Finance 2020b, World Economic Forum 2020)

External forces effecting macro-environment in Finland are the following:

1. Political forces: in general, there is a political stability in the country and Finland is known as high level diplomacy in foreign relations.
2. Social forces: Finland is the happiest country in the world. The market is small so Gefest should focus on 5 largest cities with population about 2 million people. It is easy to network among other industry professionals in small market.
3. Legal forces: Finland is least corruption country worldwide. It is so called easy to do business country in view of administration, transparency, bookkeeping, taxes and other norms.
4. Technological forces: technically advanced country with a high level of innovation and digitalization.
5. Economical forces: low risk of doing business, low inflation rate, growth in construction sector, demand for energy efficient buildings, low bureaucracy level.

In general, a previous study shows that foreign companies consider Finland to be attractive to business as it was confirmed by Business Finland and Amcham Finland survey. Foreign companies appreciate economy stability, skills of workers and their ability to work independently (Business Finland.2018). Finland has a high gender-equal achievements in health and educational sector that brought to woman's significant high economic and political participation (World Economic Forum 2020). The new cabinet formed in December 2019 consist of great number of women: twelve portfolios are represented by women, only seven by men. We can see many positive external factors influencing favorably to Gefest's future business development in Finland.

### 2.3 Market entry barriers

The place, where the firm was found, the country of origin matters in shaping the culture and behaviour of firms. According Coe, Kelly and Yeung (Coe, N., Kelly, P. & Yeung, H, 2008, 321-345) even global corporation remains national firms by their different origins, historical development and management structure. Company's operation place with its economic culture and diversity influence on economic success or failure (Coe, N., Kelly, P. & Yeung, H. 2008, 325-326). "Geography matters and the country of origin - through so called 'home country effect' shapes their (company's) various approach to inter-firm and intra-firm relationship" (Coe, N., Kelly, P. & Yeung, H. 2008, 322). The country of origin and so called 'home country effect' shapes the different approach to inter-firm and intra-firm relationship. The economic culture of the firm can be as an advantage as disadvantage in some business cases.

In case of Gefest Group and their country of origin Russia and the country's 'brand name' in Finnish construction market has a clear influence on the success of Gefest Group in their internalization and in building their brand name. According to Aaker, building strong brands has become a marketing priority for many organizations today because it yields a number of advantages. Strong brands help the firm establish an identity in the market place, less vulnerability to competitive actions, larger margins and greater brand extension opportunities (Aaker, 1999).

The country of origin "Made in Russia" might be a barrier for entering the Finnish construction market although it should be studied and researched thoroughly in empirical part of this thesis. Very often national stereotypes can greatly influence how the product are assessed. It can relate to images and impressions of how industrialized a country is and how high are quality standards there (Norjaya Mohd Yasin, Mohd Nasser Noor & Osman Mohamad, 2007, 47). The further chapters in Empirical part will analyze more deeply a home country effect to Gefest's business opportunities in Finland.

Another market entry barrier for Gefest Group can be named as standardization of their product. Coe, Kelly and Yeung stated that "only standardized and effective forms of business organizations will survive global competition" and global convergence drives firms to become more and more alike in their business activities (Coe, N., Kelly, P. & Yeung, H., 2008, 326). To be competitive the manufacture should obtain necessary industry specific certificates, documentations, test results and follow industry norms, so consequently



this research is going to answer the question what certificates and documentation Gefest Group must have in order to be competitive in Finnish market.

## **2.4 Theoretical framework summary**

The importance of solid theory in academic work is well understood and has been proved in many studies. The theory does not only develop new ideas and research issues, but it should also support business practice and suggest new practical recommendations for real working life, however it is very challenging to combine theory and international business reality.

The most important marketing entry theories are International Life-Cycle theory developed by Vernor in 1966, the concept of locational model, the internalization theory, the electric paradigm, the Upsala Model of Internalization, the Network Theory of Internationalization and the Diamond model.

Two hundred years ago Adam Smith and David Ricardo launched their trade theories absolute and comparative advantage. After World War II, trade models were further developed were amplified by a management perspective focusing on 'location factors' connected with the question of where to start international business. The location concept has proved to be important. Therefore, place and space play an essential central role in many marketing entry theories. The diamond model by M.E. Porter first published in 1990 takes traditional location concepts to a high national level. From the country perspective the model indicates some factors as drivers for establishing competitive advantages and the model is sensitive to issues that are hard for the companies to plan for. The Figure 7 below illustrates the chronology of the development of internationalization theories, including consideration of the trade theories, the resource-based view, and the transaction cost theory.

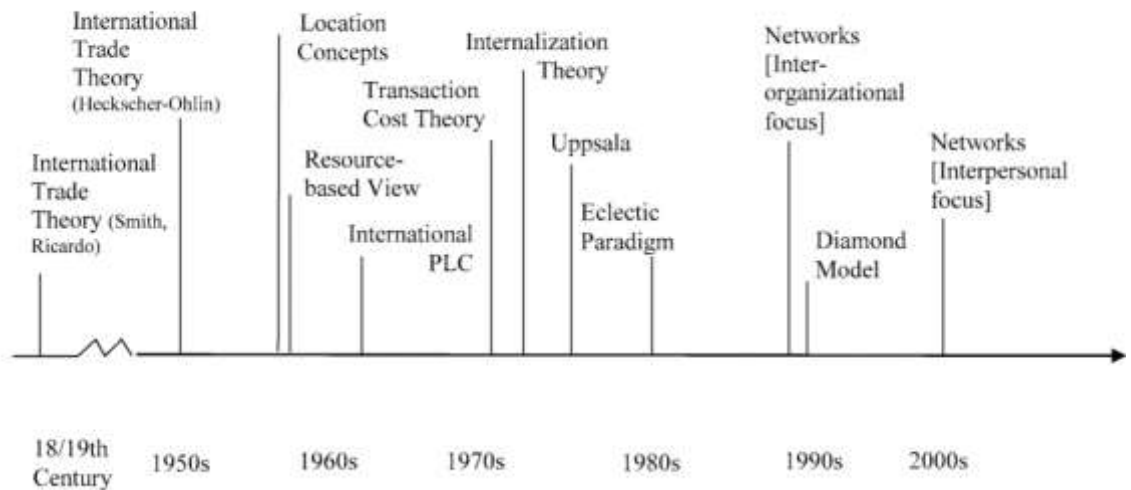


Figure 7. Chronology of the development of internationalization theories, including consideration of the trade theories, the resource-based view, and the transaction cost theory (Glowik 2016, 110).

As shown in Figure 7, the development of Internationalization theories started in 18<sup>th</sup> century, has been modifying, changing, adjusting, transforming and reconstructing. The latest theory Networks was promoted in 2000s, which has a strong interpersonal focus and widely used in nowadays business world.

Figure 8 below sums up principal contents and major limitation of the Location concepts and the Dimond model.

Model	Representative publication (Year)	Main content of the model	Major limitations of the model
Locational concept	Originated in traditional trade theories: Smith (1776), Ricardo (1817), Heckscher-Ohlin (1952)	-Supply and demand factors vary among countries and impact the competitiveness of the firm -Foreign market entry strategy depends on country-specific location	-Empirical studies about the relative influence of location factors are difficult to perform -Difficult to take into consideration all relevant factors due to the model's high complexity
Dimond model	Porter 1990	-Firm competitiveness influenced by country-specific conditions -Some firms have better chances for successful international business than others because of home market situation.	-competitive advantage is empirically hard to measure -some model assumptions are speculative -lacks advises about the best way to gain competitive advantages -tends to neglect other countries and their impact on the home country with

			respect to the firm's competitiveness
--	--	--	---------------------------------------

Figure 8. A summary of the principal contents and major limitations of locational concepts and the diamond model (Based on Glowik 2016, 111)

After World War II the product life-cycle theory was developed by Vernon. It was created from prospective of the American-based firms and their international business activities and it became almost absolute for many modern businesses. The main principal concepts and major limitations of the model are presented in Figure 9 below.

Model	Representative publication (Year)	Main contents of the model	Major limitations of the model
International product life-cycle	Vernon (1966)	<ul style="list-style-type: none"> <li>-international market entry and exit strategies depend on the product's positioning in its life-cycle</li> <li>-the USA economy based after WWII</li> <li>-manufacturing industries are in centre</li> </ul>	<ul style="list-style-type: none"> <li>-not consider tariff and non-tariff trade barriers and behavioral aspects</li> <li>-verification and generalization are difficult</li> <li>-neglects threats of product substitution via nations and their industries</li> <li>-shortened products and technology life cycle makes the model universal</li> </ul>

Figure 9. A summary of the principal contents and major limitations of the locational concepts and diamond model (Glowik 2016, 112)

The internalization theory of Buckley and Casson explained the nature and development of multinational enterprises and identify various factors determine company's internalization decision. However, the model cannot explain and consider the changes of international process and the aspect of learning that it given a special priority in Uppsala model in 1970s. The Uppsala concept became the most discussed model in the literature, hence it has not answered every questions and cannot serve as a general theory. A summary of main concepts of Internalization model and Uppsala model are presented in Figure 10 below.

Model	Representative publication (Year)	Main contents of the model	Major limitations of the model
-------	-----------------------------------	----------------------------	--------------------------------

Internalization theory	Buckly and Casson (1976)	<ul style="list-style-type: none"> <li>-main focus on transaction cost as major factor for foreign market entry</li> <li>-rational approach</li> <li>-explains multinational enterprises using organizational capabilities and market situation</li> <li>-‘knowledge’ and ‘skill’ factors</li> </ul>	<ul style="list-style-type: none"> <li>-transactional cost are difficult to measure</li> <li>- very little attention to behavioural aspects</li> <li>-ignores tariffs and non-tariff barriers, legal aspects, tax policies in the target market</li> </ul>
Uppsala	Carlson (1966) Forsgren and Johanson, Johanson and Wiedersheim (1975) Johanson and Vahlne (1977)	<ul style="list-style-type: none"> <li>-a firm’s internationalization is a process</li> <li>-due to a lack foreign market knowledge, firm start internationalization from physically and culturally close foreign countries to more distance countries.</li> <li>-psychic distance is a distance in terms of language, culture, politics etc.</li> <li>-focus on experience, knowledge and self-learning</li> </ul>	<ul style="list-style-type: none"> <li>-psychic distance is seen differently by operating managers</li> <li>-panel focus on big Swedish firm</li> <li>-restricted to the initial level of internationalizations</li> <li>-internationalization is not always strait and continuous process</li> <li>-firm can reconsider their internationalization strategy</li> <li>-the model concentrates on experiential learning through commitment decision but ignores the phenomenon of ‘early internationalization.’</li> </ul>

Figure 10. A summary of the principal contents and major limitations of the Internalization theory and Uppsala model (Based on Glowik 2016, 113)

In 1980s and during the 1990s many empirical researches led to the conclusion that firms need to be embedded in supplier-customer-competitor networks. Firms do not decide their internationalization activities independently, but they follow its important customer abroad and try to remain its supplier. In contrary, a competitor’s movement towards other regions in the world may push a company to enter a certain foreign market.

Early internationalization theories focus on personal relationships, and the internationalization process is understood as value creating process. Internationalization performance is seen as the result of human behavior, for example as open mindset, innovative, global mindset in a context of specific time and taking a chance at the right time. New internationalization concepts focus on personal relationships, relationship to suppliers, customers, and other stakeholders, which make significant impact to the internationalization activities of the firm.

Electric paradigm and Network model summary can be checked from Figure 11 below.

Model	Representative publication (Year)	Main contents of the model	Major limitations of the model
Electric paradigm	Dunning (1979, 1980, 1983, 1988, 1993, 1994, 1995, 200, 2001)	<ul style="list-style-type: none"> <li>-consideration of ownership</li> <li>Location</li> <li>Internalization</li> <li>-multi-causal reasons influence the market entry strategy of the firm consisting of</li> <li>International contracts available</li> <li>Export</li> <li>Foreign direct investment</li> </ul>	<ul style="list-style-type: none"> <li>-overlapping conglomeration of variables</li> <li>-high model complexity</li> <li>-empirical verification of crucial variables difficult</li> <li>-prediction tend to be vague</li> </ul>
Network Model	Johanson and Mattson (1988) Kogut and Zander (1993) Hopenhthal (2001) Bjorkman and Forsgren (2000) Hakansson and Johanson (2001) Johanson and Vahlne (2003, 2009, 2010) Mathews, Hu and Wu(2011) Gadde, Hjelmgren and Skarp (2012)	<ul style="list-style-type: none"> <li>-company's international business success or failure is a result of its positioning in a network</li> <li>-networks are a set of relationships among supplier, manufactures, merchandisers, customers and other stakeholders</li> <li>-knowledge and learning exchange within the network</li> <li>-competitive advantage is achieved through network</li> <li>-emerging global economy as networks of interlinked firms</li> </ul>	<ul style="list-style-type: none"> <li>-empirically hard to test due to the complexity of international networks</li> <li>-need for industry-specific insights, which is challenging to realize from a researcher's 'outsider perspective'</li> <li>- tends to focus on B-to-B markets</li> <li>- research results (e. g., through firm case studies) are hard to generalize</li> <li>– empirical research often tends to supply 'spotlights' of network structures because longitudinal fact-finding research is time consuming and therefore expensive</li> </ul>

Figure 11. A summary of the principal contents and major limitations of the Electric paradigm theory and Network Model (Based on Glowik 2016, 114-115)

Additionally, an important part the theoretical framework is situational analysis of the current business situation of your company. The situational analysis works as a starting point and a foundation of the marketing plan. The situational analysis defines the internal and external factors, which influence on successful market entry. Internal factors analysis, as part of situational analysis, helps in identifying strength, weakness, opportunities, and

treats and it can help a firm to go international. Internal analysis is usually done in SWOT form.

External factors have a remarkable impact to the business operation of a company. External factors such as Political, Economic, Social, Technological, Environmental and Legal factors are recommended to analysed by PESTEL analysis. External and internal factors analysis identify the capabilities, customers, potential customers, business environment and the impact they may have on organization or business.

### 3 Research methodology

In this chapter we are going to describe the methodology and methods of the research and focus on how to conduct the empirical part of research. We are going also to present the philosophy (ontology and epistemology) and approach of this thesis. In addition, in this chapter the ethical issues, reliability and validity will be defined.

#### 3.1 Research philosophy and approach

Research philosophy is related to the system of beliefs and assumptions regarding development of knowledge, its nature and how it was produced in connection to this research (Saunders, Lewis & Thornhill 2016, 680). It is essential to realise that the researcher will consider rational aspects but most probably she/he will be influenced by her/his own existing point of view, own beliefs and assumptions on the link between the knowledge and the mechanism, producing the knowledge (Saunders et al. 2016, 123).

**Ontology** refers to assumptions about the nature of reality, in other words my ontological assumptions shape the way in which we see and study the research objects. Ontology of this research includes the organization Gefest Group, management, product junction box, marketing, and demand questions in the Finnish market. There are two types of ontological assumptions, which must be considered: *objectivism and subjectivism*. Objectivism argues that social actors occur in reality independently of their members trying to analyse them. Subjectivism incorporates assumptions that social development originates in attitude and consequent behaviours produced by those individuals acting in social group. Subjectivism has multiple realities, deal with a flowing process and can be chaotic (Saunders et al. 2016, 127-132).

We believe that we will be using much more the subjectivism approach as a suitable approach for viewing the social interactions between the service provider (company Gefest Group), their customers, social developments and continuously transformation in the market.

**Epistemology** is dealing with the sources of knowledge, numbers, facts, observable phenomena, narratives, opinions, and other sources, which can be communicated to others. Epistemology is concerned with possibilities, market threats, risks and limitations. The different type of knowledge such as statistical sales data of product junction box, sales data about similar product in Finnish market, customer data-based by sectors, textual data of

interviews, visual data of usage of junction boxes in different applications and many other - can be considered for this research. Epistemology of the research are asking questions, interviewing, observation and measuring.

As 'reality' is practical consequences of R&D research which focus on problems, practices and relevance and we aim to contribute practical solutions and outcomes (Saunders et al. 137,142-144). We can say that this research represents a *pragmatism philosophy* of business research. We consider that the pragmatism philosophy to be the most suitable to that research of market demand of product junction box of Russian manufacturer Gefest Group in Finnish market because the research emphasised on practical outcomes and it was initiated and sustained by doubts and believes of industry-professionals from the company Gefest Group and the researcher-student.

### 3.2 Research approach

Research approach can be chosen between deductive and inductive: to test a theory or to develop a theory. A deductive approach is used when a researcher wants to adopt a clear theoretical position that will be tested thought the collection of data and work on the theory driven project. An inductive approach is used in contrary when a researcher wishes to explore the topic and present a theoretical explanation and analyze to the collected data. The research project is data driven and follows to inductive approach (Saunders et al. 2016,51).

In the thesis study we are going to use **inductive approach** because we are planning to get a picture of the existing Finnish market of the similar product. The interviews and discussions with experts are also fit well into inductive approach. Once we have gathered and analyzed the received information, I would be able to elaborate a theory.

### 3.3 Research design

The research design is a general plan of how to give an answer to formulated research questions. The plan usually contains the specific sources from which the information can be taken, the way how the data can be collected, considered requested time, location, money and other resources required for the research (Saunders et al. 2016, 163-164). In



his/her approach the researcher can select methodological choice: the use of quantitative, qualitative, or mixed methods research design.

The necessary data can be collected from the Gefest Group home web-site, corporate documents, printed catalogues and leaflets, interviews with Gefest's experts and sales staff, interviews with wholesales and industry opinion-leaders in Finland, available data in internet, visual observation of usage of similar product in Finland and possible other sources of data collection. The data can be collected using face to face meeting, phone and skype calls and by e-mail exchange. Data available from Internet will be collected by search; professional literature as magazines, publications and articles in social media are also planned to use. Therefore, we are going to use **mixed methods, a combination of qualitative and quantitative data** collection techniques and analytical procedures, as a methodological choice of the research.

According to Saunders et al. (2016, 167-169) mixed methods research is the combination of multiple methods research that combines quantitative and qualitative data collection and analytical procedures. We share the opinion of authors that while there is an external objective world in which we live, each of us interpret and understand the world their own way, affected by particular social conditions. We, as researcher, are going to use quantitative data officially available in publication, company's web site, any internet sources followed by qualitative research methods to explore more our perception.

We are going to follow **an exploratory study** in order to ask open questions to find out what is happening and gain insights about the topic. The questions are prepared to ask will start with "What" or "How" and these types of questions will help me to clarify our own understanding of a problem and phenomenon. Exploratory research conducted in order to determine the nature of a problem; however, research's structure does not aim to provide the final answer to the research question but study the research topic with different level of depth (research-methodology.net 2019).

We are going to use exploratory research method due to its advantages, which are the following (research-methodology.net 2019):

- Flexibility and adaptability to change
- Effective and good base for the future studies
- Exploratory research can save time and other resources by degerming at the earlier stage the type of research that are worth pursuing

According to Saunders et al. (2016, 174-175) exploratory research can be executed in three main ways. First, we have to find relevant literature, then we should interview experts in that topic and after that to carry out focus group interviews. We will make use of literature review, interviewing experts and probably group discussion.

Regarding the research strategy, there are eight options to choose from according to Saunders et al (2016, 177-178): experiment, survey, archival and documentary research, case study, ethnography, action research, grounded theory, and narrative inquiry. The choice of research strategy is determined by the research questions, the amount of current knowledge, the available time and resources and the research philosophy (Saunders et al. 2016, 178)

The research strategy we are going to follow will be **a case study**. Yin (2014) states that a case study is a deep inquiry into a topic within its real-life settings. Case-study research is often used when the boundaries between the studied phenomenon and the context within it is being studied are not always obvious. According to Yin (2014) understanding context is essential and fundamental to case study research.

According to Khairu Baharein Mohd Noor (2008) by case study is understood an empirical inquiry that investigates a phenomenon within its real-life context using multiple sources of evidence. Case is an event, entity, an individual or unit of analysis. The case study is used to probe an area of interest in depth, to understand some particular problem or situation and identify cases rich in information. The case study weaknesses are mentioned as lack of scientific reliability and not reliable conclusions, which are done from the case study research.

The strengths of case study can be described as the following:

- researcher can gain the holistic view of a certain phenomenon or series of events
- can provide a round picture using many sources of evidence
- case study can be used to study organizational activity especially where it is changing very fast
- allow generalizations of findings

Flyvberg (2011) points out the paradox of case study research: case studies have been broadly used in business and management over a long period of time, however they have been criticised because of misunderstanding about their capacity to produce generalisable, reliable and theoretical contribution to knowledge. The critic is based on positivism

criticism of using too small samples and using interpretive qualitative research (Saunders et al. 2016, 184-185).

The case study should be considered to use when the focus of the study is to answer “how” and “why” research questions (Baxter, P & Jack, S. 2008). Most of the research questions are “How” and “What” questions so that is why we believe that the case study is right strategy for us.

The case study uses many data collection techniques and they often get mixed. The techniques can be observations, interviews, questionnaires, and analysis of documents. we are going to use a *single case* that employs a holistic approach (Yin. 2004 in Saunders et al. 2016, 186). We suppose this choice is the best to fit to research purpose and research questions because this is a special case, that is, the company Gefest is trying to formulate a strategy to enter Finnish market. We see the practical result of this research and we are interested in the context, in studying of business possibilities to sale in new European market and to find out the challenges and other objectives.

We will utilize a *multi-method qualitative option* as a research choice. It is assumed that more than one information gathering and analysis technique will be used but prescribed within the qualitative realm (Tashakkori & Teddle in Saunders et al 2016, 170). The interviews and content analysis will be done over a limited period.

As a result, we are going to report the findings as a marketing study document summery for the company Gefest Group.

### **3.4 Data collection**

The process of data collection, data analysis, creation and confirmation of propositions has an interactive nature that gives a certain relative flexibility to the researcher. According to Silverman (Silverman 2008, 35), flexibility encourages qualitative researchers to be innovative, however flexibility can be seen as lack of structure. Qualitative research is considered subjective, soft, flexible, speculative and influenced by the researcher’s political values, so in the same time the process of data collection will be also automatically influenced by researcher’s political values and subjectivism.

I am going to use secondary and primary data. Saunders et al. (2016, 316) define secondary data as data, which includes both raw data and already published summaries, the one already gathered for another use, but yet can be further utilized to contribute with valuable

information to provide an answer to the research question. The secondary data will be gathered from:

- Reports from different institutions like Statista, Business Finland, Finnish Ministry of Finance, the Finnish Construction Trade Union among many others
- Information from Internet, academical journals and books

The primary or new data is planned to be gathered through different techniques, as following:

-In-depth semi-structured interviews conducted with experts from different wholesalers in Finnish market. Interviews will allow us to learn point of view of different sales managers, daily working with junction boxes in local markets. Interviews are carried out in person at wholesaler's offices. Semi-structured interviews facilitate the advantage of allowing new topics and themes appear during the interview in a natural way. It is used as sampling, non-probability, purposive and typical case sampling. It is intended to provide an illustrative profile using a representative case and illustrate for of what is typical in that research and it is not meant to be definitive (Saunders et al. 2016, 301-302).

-Primary data collected through observation. I visited e.g. Iso Omena shopping mall and observed the placement of junction boxes there. Also visited several retail shops to learn about junction box types and their price categories.

-Experiential data as a result from a diary I kept where I recorded my impressions and observations

-Benchmarking competitors in Finnish market, using structured approach from the companies' websites, their digital channels, social media and interviews.

The researcher is able to use her/his judgment to select best examples that facilitates the answer to the research questions. We use this small way of sampling as a usual way to utilize like case study research and we wanted to use informative case. It targets one subgroup in which all the sample units are comparable allowing to explore the group in depth (Saunders et al. 2016, 297-305).

The process of data collection is summarized in the Table 2 below (more details is presented in Appendix 1), which describes who were the interviewees, what company they

worked for, when and where the interview took place, their area of expertise and the reason for choosing these experts. They are all seen to *be a typical case*, the experts were willing to share their knowledge and experience and to contribute to a marketing research.

Table 2. Details of data collection by interviews

Name / Company	Position	Date	Type	Place	Reason for choosing
Expert / Ahlsell OY	Group product manager	7.08.2019	Interview F2F	Ahlsell main office in Hyvinkää	Junction boxes expert
Expert / SLO Oy	Product Manager	4.09.2019	Interview F2F	SLO office in Vantaa	Junction boxes expert
Expert / Onninen Oy	Product Manager	1.10.2019	Interview F2F	Onninen Oy office in Kalasatama	Junction boxes expert
Expert / Amplit	Technical Director	23.03.2020	Phone interview	By phone	Technical Director
Expert / Amplit	Project Manager	24.03.2020	Phone interview	By phone	Decision-maker to select and purchase junction boxes for Amplit's projects

The in-depth interview with product managers from different wholesaler companies contains themes around Finnish construction market and its development, opportunities and threats from the market conditions, exciting suppliers of similar products in the market and market entry barriers. There was also discussion about the special characteristics of junction boxes and other features most relevant and important for the product from consumer point of view.

A series of group discussion and brainstorming were done with entrepreneur from other industry, who has experience of entering Finnish market and establishing the brand awareness. The opinion of Mr. Ettl, the entrepreneur with 8 years of experience of running his own company in Finland was very valuable. Mr. Ettle, an Austrian citizen, is working as an export manager for several Austrian companies and he imports wines, beers and non-alcoholic beverages to Finland. The group discussion was done with Mr. Ettle,

Mr. Tanklevsky CEO of Gefest, Mr. Peganov Marketing Manager of Gefes group and the author of the thesis.

I am Natalia Nurminen, the researcher of this thesis, I am Russian by origin and additionally I have a Finnish nationality. I have B2B business experience from Russia and Finland, I speak Russian and Finnish and have a good understanding of Finnish culture and mentality. I have 10+ years of sales experience, I launched new products in Russian and Finnish market, I know how to develop a sales strategy and action plan for entering new market so I believe my background and experience can be beneficial for the research.

For the group discussion, data collection was partly presented to the partners, the questions were formulated and then was decided which venue to pursue further and how. For the group discussion, data collection is presented in the Table 3 below.

Table 3. Details of data collection by Group discussion.

Partners present	Number	Dates	Type	Place
Mr. Ettl, Mr. Tanklevsky, Nurminen,N	1	16.4.2019	F2F	Hamina, Finland
Mr. Ettle, Nurminen,N	2	1.08.2019	F2F	Pitäjämäki, Helsinki
Mr. Ettle, Nurminen, N	3	10.9.2019	F2F	Pitäjämäki, Helsinki
Mr. Ettle, Nurminen, N	4	16.10.2019	F2F	Pitäjämäki, Helsinki
Mr.Tanklevsky, Nurminen N	5	26.12.2019	Discussion by phone	Helsinki-Hamina
Mr. Peganov, Nurminen N	6	12.03.2020	Discussion by phone	Helsinki-St-Petersburg
Mr. Ettle, Nurminen N	7	2.03.2020	F2F	Konala, Helsinki

### 3.5 Data analysis

Saunders et al. (2016, 568-569) states that researcher can produce a theory from gathered information of qualitative data. It is important to recognise that qualitative research is very often associated with **interpretivist philosophy**, so researcher translates subjective and socially constructed meanings expressed by interviewees and other participants in research. Qualitative research depends on social constructionism, which indicates that meaning and realities are connected with people's interpretation of the events that happen around them. The meanings in qualitative research are determined by social interaction, while qualitative data are most probably to be more varied, elastic and complex than quantitative data. In my case I am using a mixed method, the combination of qualitative and quantitative methods so the characteristics of both approaches are presented in my study.

The type of qualitative data varies and there is no one typical universal system to analyse it. Researcher is recommended to summarize some parts of the data collection to condense them, code and categorise data in order to group it accordingly and later to link these categories in themes in order to provide the answer to main research question. (Saunders et al. 2016, 558-569).

Following the advice of Saunders et al. (2016, 576) I wrote an *interim summary* of my progress of data analysis. After each interview and observation, I wrote an interim summary, which helped me to sum up the most essential information and structure my thoughts in the direction of data collection. My interim summary contains the following topics: what I have found so far, how confident I am in my findings and what else should I do in order to improve the quality of my data.

As one of data analysis technique, the **narrative analysis** of information gained from in-depth interviews was used in my research. Narrative analysis is a part of large mythological approach to analyse different aspects of narrative (Saunders et al. 2016, 600-601). My analysis focusses on extracts from interview transcripts, which each consist of short narrative or a story about a special topic in which researcher is interested. According to Saunders et al. (2016, 601) narrative analysis is recommended to use in inductive research approach, and as it was mentioned before, we are going to use induction approach because we plan to get a picture of Finnish market of the similar junction box. The theory is intended to be elaborated after gathering and analysing the received information.

The analysis process of this research will contain the use of analytical aids like self-memos, summaries, and the research diary.

We used guided brainstorming by the author and by a group discussion. Guided brainstorming can be defined as a session with a chosen topic and systematic technique that can be used by individuals and teams to address well formulated and complex problems and to high yield of ideas. This technique helps participants to create the best solutions and ideas that will produce the most valuable and significant outcome. (Inventive problem solving. 2020)

As stated my Miles, Huberman & Saldana (Saunders et al. 2016, 615) those techniques and aids allow me to perceive the significance of received qualitative data. These tools will assist to consolidate data from different sources, drafts, transcripts, interim summaries, dairies etc. for further exploration, create and exam theories founded on the identified relationship and collaborate conclusions.

### **3.6 Ethical issues**

Ethical issues play significant important role throughout of different stage of research. They will request ethical integrity from researcher, company's potential gatekeepers and research sponsor. The researcher is to recommend to find the middle ground between the organization's goals of useful research, the right of researcher not to be fallen into the topic in which you are not interested in or that does not follow the requirements of your university (Saunders et al. 2016, 249-251).

As Bryman & Bell (2007) recommended, in order to prevent unnecessary complications with ethical issues, I, as researcher, will act accordingly the following ethical principles:

1. Respect for other authors and trust development to the materials of others previous studies
2. I will act openly and truthfully, I will try to be objective and avoid misrepresentation of data and findings, disingenuous promises and any conflict of interest.
3. To ensure the anonymity of interviewees if they want to. Respect their privacy.
4. Accept if interviewees wish to refuse to answer the questions or refuse to participate in the research.
5. I will respect confidentiality of my sponsor company, confidentiality of data and any other information.



### 3.7 Validity

According to Saunders et al. (2016, 202) validity is a central element about the quality of the quantitative research in social science, because it refers to the appropriateness of the measures used, accuracy of the analysis and generalisability of the findings.

Validity should answer the questions, relevant to my study:

Do the measures used in research are appropriate for the market study of junction boxes in Finland?

Is the analyse of the results and relationship being done accurately?

Is it possible to generalise the results?

What do the research findings represent?

According to Saunders at el. (2016, 206), “validation is the process of verifying data, analysis and interpretation to establish their validity/credibility/authenticity”. There are several techniques of validation and measurement validity by checking data with participants.

In my research I am using **triangulation**, which includes more than one source of data and method to collection data in order to ensure that the data is describing the things what research thinks it should describe. I am using a mixed methods study to be recommended for successful triangulation. It means that I double check the information from two or more separate sources and comparable outcomes. Regarding the information received throughout the interviews, all interviewees have many years of business experience in the industry and great knowledge of the product and local market, so the information can be compered and verified using triangulation technique.

In case of my research, the validity of my thesis project could be measured for example by trial order supplied from manufacture Gefest Group to Finnish wholesalers. A trial order can be a great tool to see a market reaction, test product’s characteristics and to receive feedback from the market. Results of sales can be compared and analysed, any feedback from the market can be recorded and compered with the research’s outcomes. It is understood that it is challenging to proceed a first trial order though a Finnish wholesaler, however in my opinion it seems to be the best way to measure the validity of the research in general.

### 3.8 Reliability

Saunders et al. (2016, 202-206) define reliability as the dependability of the conclusions obtained by my compilation techniques or analysis methods. This is a “quality control” for a researcher to check if the things were done with reasonable care. Reliability associates with replication and consistency. The target of a researcher is to be seen as a reliable researcher, so if a researcher can replicate an earlier research design or get the same findings, then he/she can be called as a reliable one. Saunders et al. (2006, 203) state that reliability is a main key characteristic of research quality and the quality of the research depends of its reliability and validity in the same time.

The answer to the following questions must be found during reliability process:

1. Will the measures produce similar results in different moments and by different observers?

Concerning the influence of external factors to the business economical, legal and political factors do not seem to be changed quickly in the short terms even though they might be modified slightly. I assume that this diagnosis and forecast will stay valid for a few years. Also, the competitor situation will not be changed dramatically as there are some stable long history companies are seen in the market for a long time with well-established reputation and customer-relation history. I can conclude that most probably similar results will be produced in different moments by different observers.

2. Is there any factor which alters the way interview participants perform?

All interviews were done in professional way, in professional environment and in respectful atmosphere. The participants were willing to share their knowledge and experience voluntarily and were willing to take part in this research. I do not see any visible factors which might alter the way interview participants perform.

3. Is there clarity in the way that interpretations from the data were made?

The semi-structured interviews with different experts contained open-end questions and questions connected with that specific industry in order to cross-check the themes and issues from various points of view. The raw data from Internet, company's web-site and company's documents were collected and analysed using the previous academical and working experience of the researcher. Concerning the interpretations of the observations in real life environment, the same transparent and clear system was followed, and similar results were obtained.

4. Are logical assumptions done correctly?

It is assumed that logical assumptions are done correctly as a result of brainstorming, group discussion and discussions with experts.

5. Are there any factors which can be interpreted by researcher a different way?

There are no factors found that can be interpreted by researcher a different way.

## 4 Competitor analysis

Wilson stated that competitor analysis should be a greatest essential element in management and control along with detailed attention to each competitor's objectives, resources, and competitive position and individual elements of its strategy (Wilson, 1974).

The conducted competitor analysis provides an insight into the current market situation in Finnish market in view of junction boxes. Also, it reveals the sales channels, price level information and describe main wholesalers the competitors use to manage their B2B business concept.

According to Bensoussan (Bensoussan 2020) the purpose of competitive analysis is to research your competitive landscape and help company offer better products or services to customers. A company should gain an understanding of how customers see your business, for example what you're doing right, and what you're doing wrong. Therefore, competitive analysis creates an essential part of marketing plans to help you understand what differentiates your product or service. However, competitive analysis offers much more possibilities, some of them are listed below:

- Branding possibilities
- Insight into how competitors design products and messages
- SEO possibilities
- conversion rate optimization
- User experience advantages of your and others' products and websites
- Gaps in the market
- New products and services to develop
- Market trends

Knowing who your competition, their products and services, understanding their competitor's advantages and marketing strategy is critical to company's survival. Independently of company size, whether you are a Fortune 500 company or a small local business, competition has a direct impact on your business success (Martin, 2019).

## 4.1 Porter Five Forces

There are different approaches to conclude competitive analyses. As was mentioned in the theoretical part of this research, the SWOT analysis helps to identify strengths, weaknesses, opportunities and threats. It can be done in view of a company entering a new market or in view of the product, comparing it with existing products from competitors. Another way to analyze the competition is using Porter's Five Forces model, which was originally developed by Harvard Business School's Michael E. Porter in 1979 (Porter, 2008). The five forces model examines five specific factors that determine whether a business can be profitable in relation to other businesses in the industry. Using Porter's Five Forces together with a SWOT analysis helps analyze whether the Russian manufacturer Gefest Group fits in the construction industry landscape in the current Finnish market.

Porter's Five Forces is usually considered as a macro tool in business analytics, because it studies the industry's economy as a whole, while a SWOT analysis is considered as a micro-analytical tool and it looks at a specific company's data and analysis.

The five force model is presented in Figure 12.



Figure 12. Porter's Five Forces Model. Based on Porter M.2008.

Applying Five Force Model to the Gefest Group marketing research, we can relate the following to be considered:

### **Bargaining Power of Suppliers:**

This force analyzes how much power a supplier has and how much control supplier has to raise its prices. It also includes the number of suppliers of raw materials and other resources that are available (Martin, 2019)

- Bargaining power of suppliers is quite **low** as number and size of suppliers are limited
- no uniqueness of each supplier's product
- One supplier can be substitute by other one

### **Threats of New Entrance:**

This force considers how easy or difficult for competitors to enter the marketplace. Barriers to entry consist of cost advantages, access to inputs, economies of scale and strong brand identity (Martin, 2019)

- New entrance barriers are **high**
- Price difference about 30-25%
- Access to distribution channels is channelling
- Gefest group brand is unknown, brand reputation building takes time

### **Barging Power of Buyers**

This force analyses the power of the consumer and their effect on pricing and quality.

- The power of buyers is **very high**
- No huge difference between competitors' products
- Switching cost is high
- Buyers ability to substitute is high

### **Threats to substitute**

- Threats to substitute is **very low**
- Limited number of substitute products is available
- Construction industry traditionally use the same type of products in all constructions sites

### **Industry Rivalry**

This force examines the competition is in the marketplace. It considers the number of existing competitors and what each of them can influence the market. Rivalry competition is

medium high because there are just a few companies selling this type of product in Finland.

- **medium high**
- Main competitors are well known among end-users
- About 3-4 competitors
- Each competitor had got their own niche in the market

## **4.2 The structure and tools used for the competitor analysis**

Competitive analysis was a challenging part of the thesis as the company Gefest Group was not able to provide any helping information and any contacts of experts on the market. I am, as researcher, not familiar with construction industry in general and have no previous working experience neither in Finland nor in Russia. This is a new business area for me and new product to analyze and study.

### **Stage 1. Find main wholesalers**

To conduct competitor analysis the author of the thesis started from finding main wholesalers names from Internet using google search engine and brainstorming with Mr. Ettl

### **Stage 2. Visit wholesalers' stores**

A next step of competitor analysis was a visiting wholesalers' stores around Pitäjämäki area, have a visual observation of the store and products, study the products range and its price, make a note of presented competitors and have a conversation with the store manager. The following stores were visited: Onninen Express Oy, SLO Konala, Ahlsell Oy Konala.

### **Stage 3. Website analysis**

This analysis consists of a visual examination and a brief overview of a website's structure and appearance. This analysis, along with an overall description of the inspected website, reveals the types of the content the site provides, the structure of the web-site, connection to social media platforms, information about the company and their business and their term and conditions for customer's accounts. Each of the above-mentioned wholesaler has their own website and e-store for B2B customers with detailed product information, technical specification and wholesaler prices. In some cases, the wholesaler prices are not accessible without registration on the website, but all other data as technical specifications are available for all web-site viewers.

#### Stage 4. Social media analysis

Social Media analysis reveals activities and efforts the competitors make regarding social media. The analysis implies an examination of the competitors' presence on different social media platforms such as Facebook, Twitter, LinkedIn, and 65 YouTube, a breakdown of the content they publish on the platforms. To see a company's presence on social media were used the links provided on the examined websites, data from the social media and results from a web search.

#### Stage 4. Meeting with wholesalers' Product Managers

The most essential and valuable information in this competitor analyses was obtained while the interviews with product managers. Using open-end questions and trying to engage them into discussion about the completion was possible to learn about competitors, the structure of current business and the role of wholesaler in view of importing and certification of the products.

#### Stage 5. Interview with technical experts from engineering company

This stage brought a very important information of competitor analyses. The interviews with technical specialists from one on the biggest financial engineering company and end-user of junction boxes provided deeper understanding of marketing situation and criteria for brand and supplier selection. In scope of this research I consider the engineering company as an and-user of junction boxes as they do planning, technical design, purchasing and attachment of junction boxes into construction sites.

After completion of individual examinations of the competitors, I proceeded to the second part of the analysis: consideration and comparison of gathered information. The conclusions of the competitor analysis are presented and discussed in next following chapter.

### **4.3 Benchmarking competitors in Finland**

Following Wilson (1994,24) I consider the competition consisted of companies "offered the similar products or service to the target market, utilize a similar technology and exhibit the similar degrees of vertical integration".

In Finland the competitors of Gefest group are European manufactories of electrical equipment, who sell in Finnish market through a wholesaler. I obtained the information



about competitors through wholesalers' companies' websites, observation of their local stores and interviewing of their experts.

There are three main wholesalers of electrical equipment in Finland: company Onninen Oy, Ahlsell Oy and SLO Oy. The main business facts about those companies are presented in Table 4.

Table 4. Big wholesalers of electrical products in Finland. (Based on Bloomberg 2020a, Bloomberg 2020b, Bloomberg 2020c).

Wholesaler	Business	Number of employees	Number of stores	Market	Founded	Web site
Onninen Oy	Plumbing and electrical products.	1200	57	Europe and Russia	1996 (operated in the market since 1913)	<a href="http://www.onninen.com">www.onninen.com</a>
Ahlsell Oy	Hydronic plumbing and heating equipment and supplies.	548	30	Finland	2003	<a href="http://www.anhsell.fi">www.anhsell.fi</a>
SLO Oy	Electrical and telecom products	500	36	Finland	1945	<a href="http://www.slo.fi">www.slo.fi</a>

**Onninen Oy** provides their products and services to contractors, industry, infrastructure building and retail dealers in B2B sector. The company has long-term strong relations with business customers and suppliers in the market using their national large sales network, logistics and multichannel customer experience. They have presented in construction sector since 1913. The number of employees in Finland is about 1200 and their sales network

has 57 Onninen Express stores around Finland. Onninen belongs to K Group's international building and technical trade division, which operates in eight countries and employs together with K-retailers about 17000 professionals (onninen, 2020c).

**Anhsell Oy** has been operating in the market about 140 years and always has been expanded their activities through mergers and acquisitions. Ahlsell-s foundation was established in 1877 by Swedish engineers John Bernström and Jacob Tornblad. They founded a company specializing in the sale of pumps and threshing machines, called John Bernström & Co. The company quickly grew to be the largest and most significant in its field in Sweden. In 1977, Ahlsell AB was renamed to Anhsell AB. The selection of products continued to grow in the 1990s in the refrigeration and do-it-yourself sectors. Nowadays the company is the leading technical wholesaler in Nordics (Anhsell 2020a).

**SLO Oy** is a largest supplier of electrical accessories in Finland. The company has a turnover of about 400 MEUR and it has about 500 employees. SLO Oy is part of the international Sonepar Group, which is the world's leading supplier of electrical accessories. Sonepar has a turnover of approximately 24 billion EURO and approximately 48,000 people (slo 2020a). The company assists other business companies in product selection, efficient ordering, logistics and development of their operations. In addition to basic e-commerce and logistic services, the company also offer product surveys for tender inquiries, lighting quotes, export and forwarding services. In different projects, SLO Oy works with their customers to optimize and match the entire material management process to the customer's process (Slo 2020b)

As it is shown in the Table 4, all three wholesalers Onninen, Anhsell and SLO have strong position in Finnish market, many years of experience and long relations with their B2B customers. They have a wide network of operational stores, covering most important business areas in the country.

Main brands and companies, manufacturing junction boxes and selling in Finnish market are listed in Table 5.

Table 5. List of main brands / companies supplying junction boxes in Finnish market.  
(Based on Onninen 2020, Obo-bettermann 2018, Schneider Electric 2020, Ensto 2020,

Fibox 2018, Onninen 2020a, Spelsberg 2020, Garo 2020, Hensel 2020, Airam 2020, Systemair 2020)

Brand	HQ country	Wholesaler in Finland	General purpose junction box	Fireproof junction box	Explosion proof junction box
Schneider Electric	France	Onninen Oy Ahlseil Oy SLO Oy	x		
ABB	Switzerland	Onninen Oy Ahlseil Oy SLO Oy	x		
OBO Bettermann	Germany	Onninen Oy Ahlseil Oy SLO oy	x	x	
ENSTO	Finland	Onninen Oy Ahlseil Oy SLO Oy	x	x	x
Spelsberg	Germany	Onninen Oy Ahlseil Oy SLO Oy	x	x	
OPAL	Finland (own brand of Onninen)	Onninen Oy	x		
FIBOX	Finland	Onninen Oy SLO Oy			
Selcast Oy	Finland	Onninen Oy SLO Oy	x		
TEP ex	Croatia	Onninen Oy			x
GARO	Sweden	Ahlseil Oy SLO Oy	x		
Hensel	Germany	Ahlseil Oy SLO Oy	x	x	
Airam, OBO	Finland	Ahlseil Oy SLO Oy	x		

Norwesco	Sweden	Ahlsell Oy	x		
Plejd	Sweden	Ahlsell Oy Onninen	X		
Sylvania	Finland	Onninen Oy Ahlsell Oy Slo Oy	x		
Sysmenair	Sweden	Ahlsell Oy	x		
Pollmann	Austria	Ahlsell Oy	x		

#### 4.4 Social media analysis

Next step of the competitor analysis is **Social Media analysis**, which shows activities and efforts the competitor makes regarding social media. Table 6 shows the presence of three main competitors of Gefest Group in social media platforms as Facebook, Twitter, LinkedIn, Youtube and Instagram. Each wholesaler chooses their own way to be visible on social media and find their own strategy to connect with their customer group. To see a company's presence on social media I used the links provided on the examined websites, data from the social media and results from a web search. Table 6 identifies social media that company currently use.

Table 6. Social media presence on different platforms.

Wholesaler	Facebook	LinkedIn	Twitter	Instagram	YouTube
Onninen Oy	x	x	x	x	x
Ahlsell Oy	x	x	x		x
SLO Oy	x	x	x	x	x

As it is shown in Table 6 all three distributors are presented in Facebook, LinkedIn, Twitter and YouTube social media platform. There are more than one million Finnish people on LinkedIn and according to Tom Lain it is most popular and useful professional social media platform in Finland (tomlaine.2020).

A study made in 2015 by Google and Milward Brown "The Changing Face of B2B Marketing" highlighted the behavior of buyers in the information retrieval phase as follows: (Ahvenainen, Gylling & Leino 2017,37)

- 71% of B2B decision-makers start their purchasing decision process with online search.

- Web search is the most important data retrieval channel in 90% of the B2B data retrieval phase.
- Millennials are the largest age demographic in the B2B information retrieval phase.
- B2B decision makers are increasingly spending time on independent web search before visiting a specific company or brand site. The decision-maker performs up to 12 web searches before visiting a specific brand or supplier's site. Neutrality and reliability are therefore appreciated.
- B2B's decision-making process involves an increasing number of people, according to the Corporate Executive Board, with an average of up to 6.8 people.

As it can be seen from Table 7, the most performing social media platform in terms of followers is LinkedIn for Onninen Oy and SLO Oy, whereas for Ahlsell it is Facebook.

Table 7. The number of followers on competitors 'social media

Wholesaler	Facebook	LinkedIn	Twitter	Instagram	YouTube
Onninen Oy	5363	7398	166	1292	78
Ahlsell Oy	4911	1942	142	-	179
SLO Oy	1029	2146	268	528	25

Ahlsell does not have any central account on Facebook and Instagram, however different stores and different locations have their own pages and own followers, which also certainly influence to total company image in social media.

It is extremely important for the new market entering company in nowadays business world to develop social media strategy, build brand reputation and brand position, be visible and active in the main social media platforms and create social media community.

#### 4.5 Strategic positioning

Strategic positioning is one of important marketing tool to place the company among other competitors and analyse their strength and weaknesses. I am using Strategic group map of selected junction box manufactures to identify where Gerest Group's position could be.

We selected main competitors of the Gefest Group in Finnish market from Table 5 and they are companies ABB, Schneider, Ensto, Spelberg, OBO Betterman and Henkel as shown in Figure 13. Gefest does not compete on the range of other products offered by these companies, but on price and technical features. Thinking about a junction box as a product, it can be said that the key differentiator of the Gefest Group is high quality and

competitive price. There is no direct competitors with the same competitive advantages in Finland.

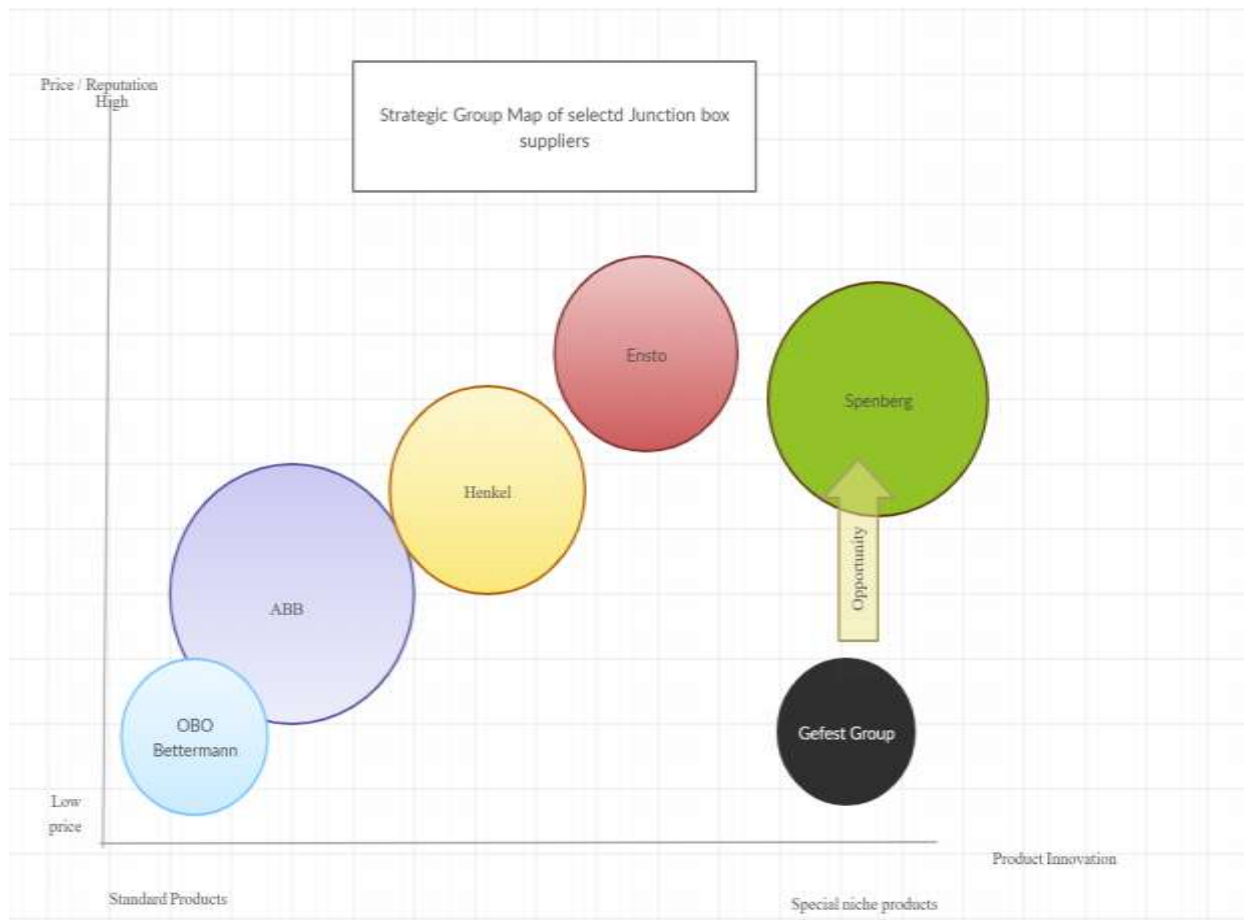


Figure 13. Strategic group map of selected junction box manufactures

As it is shown in Figure 13, Gefest Group can be placed on the very right end of product innovation line, because Gefest is able to offer special feather items as fireproof and explosion proof junction boxes. Gefest can be positioned on the right side of the line taking the place of special niche product. Gefest is also placed on a very low-price end line competing with other companies offering the same type of products.

Besides, as previously mentioned in Chapter 1 Introduction, strong foundation on the academic and R&D research is one of the focus points of their value proposition which, combined with construction industry experience and constant technological innovations and patents registration, gives the company a resonating focus for its UPV that is not presented in its competitors.

#### 4.6 Unique Value Proposition (UVP) and competitive advantage

Gefest Group is the leading Russian designer, manufacturer and supplier of fire-protection products and services.

According to Gefest Group the main competitive advantage and Unique Value Proposition (UVP) of Gefest in Finnish market would be competitive price for high quality products certified by European standard institutions.

The price and main feature comparison are shown in Table 8 below. An item to compare was chosen Fireproof junction box (JBG1515M IP66) with protection degree IP66 produced by Gefest Group. Detailed technical specification can be seen from Appendix 1 in technical passport.

Table 8 presents both types of Fireproof junction boxes made by plastic body material as well as metal body just to give an indication of price level of different producers. According to the Gefest Group, they are not going to compete with metal junction boxes against plastic boxes as the metal one is attached outside of the building and the plastic one should be attached inside. This is a main difference in usage; moreover, we can see price comparison from Table 9 Fireproof metal junction box E90 price comparison.

Table 8. Fireproof junction box, protection degree **IP 66** (based on e-sprinkleroy.2020a, Appendix 2, Slo 2020c)

Producer	Price (average)	Temperature range	Nominal voltage, V	Body material	Size, mm	Quantity of cable glands, up to	Weight
GEFEST IP66	22,90€	-40°C +1000°C	450	Galvanised steel	150x150x60	16	1,8 kg
HENSEL E90 IP65/66	37,40€	-25...+40C	400	Plastic	104x70x140	7	0,164

OBO Better- man IP66	55,00€	-25...+40C		Plas- tic	153x121x80	10	0,48
ENSTO IP65	52,50€	-25...+40C	750	Plas- tic	134x104x57	10	0,3
SPELS- BERG IP67	440€	-25...+40C	690	Plas- tic	276x208x108	3	3,1

Table 9. Fireproof metal junction box IP 66 price comparison. (Based on Slo 2020c, e-sprinkleroy.2020a, Appendix 2)

Brand	Price, Euro	Tempe- rature range, C	No- mi- nal vol- tage, V	Mate- rial	Size, mm	Weigh t, kg
Gefest IP66 16x2,5 	22,90€	- 40..100C	450	Stain- less still	150x150x 60	1,8
Hensel IP66 Standardin DIN4102-12 	114€	E30/E90 - 25...40C	400	Stain- less still	195x155x 104	1,493
Hensel IP66 1,5-16 mm Standardin DIN4102-12	207€	E30/E90	400	Stain- less still	243x206x 105	2,133



						
 <p>Hensel IP66 1,5-10+ Standardin DIN4102-12</p>	352€	E30/E90	400	Stain- less still	245x208x 105	2,65

In sum we can see a clear price advantage for the Gefest Group comparing with other junction box producers.

To summarise all the above it can be stated that competitive analyse is needed to help decision makers of the Gefest Group to understand competitive situation in Finnish market and the problems will be faced, decide how and against whom to compete, cope with change and challenges, prepare for contingencies, learn from competitors and in the end survive the competition in the new target market area of Finland.

## **5 Summary and conclusions**

This chapter provides a summary of the research findings in the form of answers to the research questions defined in the beginning of this thesis. Along with that, it presents the project outcome as well as recommendations for further actions, the author's reflection on learning from the project and a strategy for further implementation.

### **5.1 Answers for the research questions**

Although the main research question of this paper was formulated as "Is there a market demand for junction box of Russian manufacturer Gefest Group in Finland?", the author decided to break it down to the following sub-questions:

What are the threats presented in the current Finnish market and how can Gefest overcome them?

How ready is Gefest to start exporting to Finland?

How can a junction box be adjusted / modified in order to be competitive in Finnish market? What are the legal norms in Finland?

What would be the key activities that the Gefest Group should focus on in the very beginning?

The following breakdown was needed to answer the research question fully and get a better understanding of the Finnish market. These sub-questions help to examine how ready Gefest is to start exporting and what challenges and threats they have to overcome. The last sub-question serves as a link to key recommendations for further actions and a presumable action plan, which should be developed later by commissioning company. The following text below sums up the finding of the research and provides answers to each sub-question.

What are the threats presented in the current Finnish market and how can Gefest overcome them?

As it turned out to be, there are several threats presented in the current Finnish market. After talking with several wholesalers, we found that there is a strong obstacle to enter the

market. The current market is divided and each of the market players has their strong positions. Current suppliers established long relationships with wholesalers, acquired a reputation and trust. According to the expert from company SLO Oy, the Finnish market of junction boxes is very difficult, and they already have many suppliers. The expert from Ahlsell sell mentioned that they work with 5 producers of junction boxes. The buyer from Onninen Oy works with about 7 different suppliers of junction boxes.

The expert from SLO Oy thinks that it is difficult to enter the current market with established players and their strong position. He cooperates with ABB, Hensel, Sneider Electric, Obo Betterman. "These suppliers have a long business history, a great reputation and SLO is working with them on a wide range of different products, so it is really difficult to win them over", -said the expert.

As a result of analyzing websites of major wholesalers SLO, Ahlsell and Onninen and as a summary of interviews with buyers we can conclude, junction box suppliers offer a package of different products to wholesalers. For example, a wholesaler working with a wide range of various items coming from one supplier, which is convenient for them. Hensel supplies 402 different items to wholesaler SLO Oy: cable junction boxes, terminal boxes, cable entry systems, connecting terminals and other products.

We have learned from an interview with the expert from the company Ahlsell, that suppliers can provide good quality products, supply on time, be reliable, deal professionally with quality complaints and have a strong brand name in construction markets. Few of them are of German origin, which brings an additional positive "design in Germany" effect.

On the other side, the country of origin effect was not seen as a barrier to enter the market by the opinion of the expert from Ahlsell. He answered the question "What do you think about 'Made in Russia' and is it a barrier for Finnish market entry?" and said the following: "My personal opinion – no. Any Russian producer has as good chances to be successful in Finnish market as an Asian one. In the past technical goods made in Russia were quite heavy, large and let's say -not elegant. Of course, we know that German technical products have a nice reputation in Finland and yes, we do work with German producers like OBO Bettermann and Hensell." The expert from Onninen also confirmed that there is no difference where junction box is produced in view of marketing and sales.

The expert is concerned that the construction market in the Southern part of Finland is still slightly growing but this tendency is only here in the South, so from this statement we can advise Gefest to focus their efforts mostly on the Southern part of Finland.

How ready is Gefest to start exporting to Finland?

We believe that Gefest is completely ready to start export to Finland. They have been preparing for exporting for the last 5 years and attended many international shows and exhibitions to get international experience. Last international event Gefest attended was in October 2019 in Peking, international exhibition China fire (Twitter). Gefest also functioned as a sponsor and organizer of 42<sup>nd</sup> meeting of the international Standard Organization ISO, which was held in September 2019.

In Finland near to the Russian border in Vaalimaa, the Gefest Group registered a Finnish company S-Sprinkley Oy, which is going to serve as their importer and later probably distributor. There are also warehouse facilities in Vaalimaa available.

Gefest learned a lot about EU-Certifications and is going to complete certification for selected items by July 2020.

In summer 2019 Gefest launched a new webpage e-sprinkleroy.com as e-store in three languages English, Russian and Finnish (E-sprinkleroy 2020b). According to information on the website, all junction boxes presented by E-Spinkler Oy passed electrical tests in VDE facilities and have VDE certificates.

Gefest has its own R&D department with strong engineering and academically educated staff. The company has 20 years of experience working in the Russian market and developing new products using expertise of their own industry specialists. All of the above facts let us believe that Gefest Group is completely ready to start export outside of Russia.

3.How can a junction box be adjusted / modified in order to be competitive in the Finnish market? What are the legal norms in Finland?

As a product, a junction box is a functional and well-developed item and no technical adjustment is needed right now. However, according to the expert from Ahlsell, there is a requirement for plastic junction boxes in Finland as plastic boxes have to be made from halogen-free material.

The halogen-free material does not contain a group of halogen elements like fluorine, chlorine, bromine, iodine, and astat, which release substances that are toxic to humans in the form of toxic fumes but also cause corrosion of metals. Halogen-free plastics are

safer, and products made from them are convenient to escape routes e.g. public spaces, railway stations, theaters, cinemas, shopping centers, etc. PVC or polyvinyl chloride is not a halogen-free material because it contains chlorine (Kopos 2020). In case the Gefest Group is interested in bringing plastic junction boxes to the Finnish market, they must fulfill halogen free requirements.

During the discussion with the expert from Ahlsell we have learned that the junction boxes have an impact resistance of either IK07 or IK09 and protection level of IP 66, IP67 and IP69. The fire-resistant boxes are certified according to **E30, E60 and E90** fire resistance class. For example, the fire safety of Hensel junction boxes is one of their important strengths. Their junction boxes passed either 750C or 960C filament test and are not highly flammable. Hensel boxes are also available with an elastic gel filter that prevents water from entering the box. More details regarding Hensel Fire room standards and tests are presented in Appendix 3.

Fire resistant junction boxes produced by Spelsberg are tested according to **EN 60670**, have **E30-E90** fire resistance class and **DIN 4102-12** as shown in Figure 13. According to the expert, these are essential safety standards for successful sale. The same EN 60670 (VDE 0606) was confirmed also by the expert from Onninen.



Figure 13. Fire resistant junction box Spelsberg (Ahlsell 2020b.)

The expert from Ahlsell explained: “If we talk about fire retardant conjunction boxes in Finland, we deal only with plastic fire-retardant boxes due to assembling reasons. The plastic box is light, easy to attach, to transport and to handle. The box should be halogen free. In case of a fire, plastic will burn away, but the inner parts will last and do their job, so the outer box is not so critically important”.

Furthermore, the same question of easy attachment was expressed also by two experts from the engineering company Amplit. The junction boxes should have typical, common and easy ways of attachment so that every trained worker is able to attach it properly.

What would be the key activities that Gefest Group should focus on in the very beginning?

When thinking about the Finnish market entry, our proposal is that the Gefest Group would consider the following key activities and focus on them in the very beginning:

1. Budget and resource allocation. In Gefest Group's case, the selection of promotional mix is largely influenced by the overall marketing budget as well as the amount of resources the company can provide. Unfortunately, the actual budget is confidential, but we can present just the idea that the budget should be divided further into marketing communication, sales, business development and product development. Currently, only one person from Gefest is working on marketing and when the company expands to Finland, they would need to hire more personnel before these actions can take place.

2. Employ an Export manager focuses on export activities into Finland. Preferably he/she should be in Finland or travel frequently to Finland from St-Petersburg. Good language skills, understanding of Finnish business culture and mentality are important requirements.

3. Create an Action Plan corresponded with the company's strategy, mission and vision

4. Develop marketing strategy. Gefest Group should think about what actions they can use from their existing strategy and what needs to be adapted to meet the local needs and requirements.

5. Revise web-site design. Gefest should remember that credible presence in an on-line environment is a key starting point. When looking at E-Sprinkleroy.com current web page, the overall feel is not very convincing, which is important when the company is trying to establish a foothold and promote their brand in a new market. The website should awake positive feelings towards the brand.

We assume that in six-months, the Gefest Group will be ready to start exporting to Finland.

After careful consideration of all the above sub-questions and total research, we can give the answer to a major question: Is there a market demand for junction box of Russian manufacturer Gefest Group in Finland? Our answer is positive. The research shows that there is a market demand for the Russian manufacturer Gefest Group in the Finnish market and the company should not hesitate to enter the market in the nearest future.

We can see two ways to become competitive in the Finnish market: decrease price for standard items and compete by price or develop and improve fire retardant and explosion products and offer something unique for a niche market.

## 5.2 Research outcome and research objectives

During the research, the author indeed studied Finnish market of junction boxes and answered main research question. At the same time the author broadened her knowledge in international marketing strategy and new market entering strategy, gained valuable experience in marketing and planning implementation phase. By this, all main goals of the research were successfully achieved. Table 10 sums up the research outcomes in the form of comparison of the achieved results with the research objectives. These objectives were defined at the beginning of the research projects in the phase of R&D plan.

Table 10. Research outcome vs. research objectives

Research objectives		Outcome
Objective 1	Conclude marketing research and learn market demand for junction boxes in Finland	Achieved
Objective 2	Deliver recommendations to the sponsor company on what should be done to start sales in Finland	Achieved
Objective 3	Rise personal knowledge and skills regarding international marketing	Achieved
Objective 4	Apply obtained knowledge in real life context to gain new skills and working experience	Achieved

Since the management of the Gefest Group has appreciated the accomplished work and decided to start export to Finland in 2021, the author is provided for the sponsor company the following recommendation for further development.

### **5.3 Recommendation for further actions**

This chapter is going to describe the author's recommendations for further actions divided by recommendations based on research and recommendations for better market understanding. Recommendations based on research refer to discussions with industry experts and other literature and internet findings, hence recommendations for better market understanding could be considered as a part of Gefest's marketing plan in the future.

#### **5.3.1 Recommendations based on my research**

During the research process was found that Gefest Group has a good chance to enter Finnish market and start exporting. However, there are several recommendations, which the company should consider and probably include to their action plan. These recommendations are the following:

1. Apply and get product codes electrical numbers (sähkönumerot), which are used by Finnish electrical trade association.

In Finland each electrical branch identifies each item by using the same code in IT system of supply chain. The product codes called sähkönumero (=electrical number) are issued by Finnish Electrotechnical Trade Association, which goal is to keep the quality of data as high as possible. From the interviews with experts from wholesalers' trade companies was learnt that these codes are common reference serve electrical contractors, designers, wholesalers, manufactories and importers. There are about 240 000 different products from over 400 suppliers. This service can be used directly from software Sähkönumerot.fi (Sahkonumerot 2020a).

Figure 14 below shows the connection of electrical numbers with the total supply chain. The following supply chain was explained by several wholesalers' buyers during their interviews. As we can see from the picture, electrical numbers play important role in the supply chain, work as a reference code for all parties involved and act as a highway for product information. It is recommended for Gefest Group to apply for these codes. Any



manufacture or importer can apply for electrical numbers and service of [sähkönumerot.fi](http://sahkonumerot.fi) is free of charge.

Figure 14. Electrical numbers and their connection with the total supply chain (Based on Sahkonumerot 2020b)



Looking at the supply chain it is essential to note, that according to expert from Ahlsell “contractors and architects along with designers do not care any responsibilities in view of safety and certification. Importer has the full responsibility”. Gefest Group should keep it in mind in their business development process.

2. Study the durability of junction boxes in comparison with market competitors. According to the expert from Ahlsell, durability would be the first criteria he can be interested in buying Gefest’s products. Depending on research results, Gefest might have a new UVP for entering Finnish market.

3. Create and develop Social media accounts in Finnish language.

Invest in communication Finnish buyers will greatly appreciate if suppliers invest in professional communication, such as a good website, company brochure, product specifications and business cards. Modern and free of charge methods of communication to stay in touch with their buyers, e.g. LinkedIn, Skype and Facebook, are widely known and increasingly accepted as additional promotional tools.

4. Continue Certification in order to receive ES Certificates.

5. Adapt the Finnish business culture is the key for success.

Finnish people consider punctuality as essential. Therefore, Gefest should be consistent, punctual, reliable and honest. That means replying in time to inquiries within 48 hours, be-

ing open and realistic and not making promises that might not be fulfilled. Gerest is recommended to invest in communication. Finnish buyers will greatly appreciate if suppliers invest in professional communication, such as a good website, company brochure, product specifications and business cards. Modern and free of charge methods of communication to stay in touch with their buyers, e.g. LinkedIn, Skype and Facebook, are widely known and increasingly accepted as additional promotional tools.

6. Improve the company's on-line store according to modern business standards. Delivery time, payment terms and product information should be easily found. Include customer's testimonials

7. Establish the stock of basic standard inventory in Vaalimaa

8. Employ an Export manager based in Finland

9. Focus on Southern part of Finland as a target market

### **5.3.2 Recommendation for better market understanding**

The current marketing research was made for company Gerest Group using very limited resources and within agreed time frame. There is always a room for improvement and deeper market study, which can be done later according to company's budget and needs.

First the company should continue talking with end-users of junction boxes and research more are there any specific features the products is lacking, or the product can be developed more. For example, it was said by two experts that the junction box should be light and easy to attach. These are important characteristics for end-users and Gerest should take them into consideration.

It is recommended to contact the following companies in Finland and talk with Technical Director or Project Manager level people. The following companies are to contact and network with:

Caverion Oy <https://www.caverion.com/>

Elbox Oy <http://www.elbox.fi/>

Granlund Oy <https://www.granlund.fi/>

Sitowise Oy <https://www.sitowise.com/fi>

Are Oy <https://www.are.fi/>

These companies are engineering, architectural and electrical design creators so in many cases they do electrical design and maintenance of building facilities.

Secondary we can advise Gefest to talk with other technical and electrical products exporters for building services and industry. The expert from Ahlsell mentioned company Hedtec.

Besides this, it is recommended to visit construction sited in order to speak with electricians, who do all manual work of junction box attachment. It would be informative to hear his opinion about existing products. Another way would be to arrange a trial order to get market feedback. A trial order for some private house construction site can bring interesting insights from the end-users.

The company is advised to continue talking with wholesalers as Onninen, SLO and Ahlsell Oy not only in view of starting business relations but also in view of getting more marketing information and networking with experts.

#### **5.4 Personal reflections on the learning from the project**

As was mentioned at the beginning, besides delivering marketing research to the company Gefest Group, the author was hoping to deepen her theoretical knowledge regarding international marketing and apply it throughout a practical case. In other words, the author considered this thesis writing process as a win-win solution for both, the company and the researcher. Whereas for the company this thesis allowed to reach its marketing objectives and further business goals, for the author, accomplishing of the research was an excellent opportunity to achieve her personal academic goals and get a real working experience from international marketing research process. The author learned how to do a study of a new product from a new business area, which was not known from the previous working experience.

Along with above mentioned were obtained skills in marketing entering strategy for a company from new unfamiliar business field, strategical thinking, and structural long-term planning. Also interviewing skills, questions formulating, and interview results analysis were developed further. During the research process the author got a valuable experience of finding experts from different companies, getting in touch with them, and communicating and collaborating with all people involved into this thesis research project.

It is important to mention that one of the important leaning from the project was how to find reliable data and sources from Internet and how to select academical references for my thesis. The project taught me to be more structural, persistent and organised. It helped me to improve time management skills, keep deadlines and be focused and goal oriented.

The author learned how to communicate effectively and efficiently, how to express complex matters in a simple and concise way.

In addition, Corona virus limitations and restrictions took place during the end of research have provided an experience of doing marketing research under special restriction conditions. Interviews in person were replaced by interviews by phone.

As a result of this project, the researcher has obtained a real working experience which comprised not only close work with the management of the sponsor company but also interactions with third-party wholesalers, engineering companies, HH teachers and other consultants.

### 5.5 Strategy for further implementation

Once Gefest Group's competitive analysis is complete, it's time to implement a strategy to expand its competitive advantage (Schlich,2018). As we discussed earlier in this paper, Gefest Group's UVP is an attractive price combined with reliable quality supported by strong own R&D research, thereby we recommend to combine cost leadership strategy and focus on selecting niche markets in which to sell Gefest's goods. This strategy requires an intense understanding of the marketplace, its sellers, buyers and competitors.

We would like to propose to choose **direct export strategy** as a first step of their implementation plan. Figure 15 below summarizes strategic decision determinants in connection to market entry rapidity, the level of hierarchical control, financial risk, and proximity to the market from the exporter's point of view. Gefest Group can use these checkpoints to learn when direct export strategy is advisable and what potential strategic risks from the exporter's prospective are involved. According to Glowik (2016, 206), the Gefest Group should consider the following potential risks: negotiation skills and language barriers, trade barriers, unfamiliar market environment and transportation risk and cost including bulky products. Entry rapidity in this implementation strategy is very high.

Market entry strategy	Entry rapidity	Hierarchical control	Financial risk	Proximity to the market	Strategy recommended if	Potential strategic risks
Indirect export	high	low	low	very low	no experience of the management in foreign trade	dependency on intermediary (commissioner)
					rather standardized products with rudimentary after-sales services	commission costs often divided loyalties of the commissioner
					promising demand abroad	trade barriers
					saturated home markets	transportation risk and costs (e.g., bulky products)
Direct export	high	low	low	low	less experience in foreign trade	negotiation skills and language barriers
					rather standardized products with rudimentary after-sales services sold	trade barriers unfamiliar market environment
					promising demand abroad	transportation risk and costs (e.g., bulky products)
					saturated home markets	

Figure 15. Overview of strategic decision determinants and potential risks related to the market models indirect and direct exports. (Glowik 2016, 206).

The next step of implementation plan is to connect with distributor of electric and technical goods and start with a *trial order* to test the waters. Gefest could contact the same wholesalers, who were involved in this marketing research or find another wholesaler in construction industry. A co-operation with a wholesaler preferably with strong position in the market can be a key to business success in Finland.

The above implementation plan is going to present to Gefest Group in the middle of May after they come back to their working place from quarantine. Unfortunately, due to the current situation in Russia and in Finland it was not possible to proceed implementation earlier and get a feedback from commissioner company.

## References

Aaker, D.A. 1996. Building string brands. Simon & Schuster UK Ltd

Ahlsell 2020a. Ahlsellinin historia. URL: <https://www.ahlsell.fi/Tietoa-ahlsellista/Ahlsell-yri-tyksena/historia/> Accessed 23 March, 2020.

Ahlsell 2020b. 2020. Spensberg tuotteet. URL: <https://www.ahlsell.fi/34/sahko/asennustuotteet/16-pinnalliset-jako--ja-liitantarasiat/pinnalliset-jako--ja-liitantarasiat-spelsberg/sf1622042/> Accessed 27<sup>th</sup> April, 2020

Ahvenainen, P., Gylling, J. & Leino, S. 2017. Viiden tähden asiakaskokemus. URL: [https://kauppakamaritieto-fi.ezproxy.haaga-helia.fi/ammattikirjasto/teos/viiden-tahden-asiakaskokemus-2017#kohta:Viiden\(\(20\)t\(\(e4\)hden\(\(20\)asiakaskokemus](https://kauppakamaritieto-fi.ezproxy.haaga-helia.fi/ammattikirjasto/teos/viiden-tahden-asiakaskokemus-2017#kohta:Viiden((20)t((e4)hden((20)asiakaskokemus) Accessed 29<sup>th</sup> March 2020

Airam. 2020. Yritys. URL: <https://www.airam.fi/fi/airam/yritys> Accessed 11<sup>th</sup> March, 2020

Amstrong, G, Kotler, P & Opresnik, M. 2017. Marketing: an introduction. Person Education. Thirteenth edition, global edition.

Axelsson, B & Easton, G. 1992. Industrial networks. A new view of reality. London and New York: Routledge.

Backley, P.J., & Casson, M. 1998. Analysing foreign market entry strategies: Extending the internalization approach. Journal of International Business Studies, 29(3): 539-561. URL: <https://search-proquest-com.ezproxy.haaga-helia.fi/docview/197165856?pq-origsite=primo> Accessed 30<sup>th</sup> April, 2019

Baxter, P & Jack, S. 2008. Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers Pamela Baxter and Susan Jack McMaster University,

West Hamilton, Ontario, Canada The Qualitative Report Volume 13 Number 4 December 2008 544-559

URL: <https://nsuworks.nova.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1573&context=tqr>, Accessed 19<sup>th</sup> November 2018

Bell, E & Bryman, A.2007. The ethics of Management research: an exploratory content analysis. British Journal of Management, Vol.18, 63-77 URL: <http://web.b.ebsco-host.com.ezproxy.haaga-helia.fi:2048/ehost/detail/detail?vid=0&sid=34c357f5-214b-43c8-8548-9be2f92e356f%40pdc-v-sess-mgr02&bdata=JnNpdGU9ZWhvc3QtbGl2ZSZzY29wZT1zaXRl#AN=24165542&db=bsh> Accessed 12<sup>th</sup> February 2020

Bensoussan, B. 2020. What is a purpose of a Competitive Analysis? Smartsheet. URL: <https://www.smartsheet.com/competitive-analysis-examples> Accessed 19<sup>th</sup> March, 2020

Bloomberg. 2020a. Onninen Oy. URL: <https://www.bloomberg.com/profile/company/ONN:FH> Accessed 13<sup>th</sup> March, 2020

Bloomberg. 2020b. Anhsell Oy. URL : <https://www.bloomberg.com/profile/company/0914190D:FH> Assessed 13<sup>th</sup> March, 2020

Bloomberg. 2020c. Slo Oy. URL: <https://www.bloomberg.com/profile/company/6802069Z:FH> Assessed 13<sup>th</sup> March, 2020

Business Finland. 2018. Ulkomaiset yritykset luottavat Suomeen jopa suomalaisyrityksiä enemmän. URL: <https://www.businessfinland.fi/ajankohtaista/uutiset/2018/ulkomaiset-yritykset-luottavat-suomeen/> Accessed 7<sup>th</sup> May 2020

Chetty, S, Ojala, A, & Leppöaho T, 2015. Effectuation and foreign market entry of entrepreneurial firms. European Journal of Marketing. Vol.49, Iss 9/10, 1436+1459. URL:

<https://search.proquest.com/docview/2085641665?pq-origsite=primo> Accessed 6<sup>th</sup> May 2019

Coe, N., Kelly, P. & Yeung, H. 2008. Economic Geography: A Contemporary Introduction. Blackwell Publishing. Oxford, UK

Collis, D. J. & Rukstad M. G. 2008. Can you say what your strategy is. Harvard Business Review. Apr 2008. Vol.86(4) pp 82-90 URL: <http://web.a.ebscohost.com.ezproxy.haaga-helia.fi:2048/ehost/pdfviewer/pdfviewer?vid=1&sid=ee810b40-3c16-47a2-a5ee-75d83daee360%40sdc-v-sessmgr03> Accessed 18<sup>th</sup> July 2019

Dunning, J. 1988. The Electric Paradigm of International Production: A Restat. Journal of International Business Studies; Basingstoke\_Vol. 19, Iss. 1, Spring 1988. URL: <https://search-proquest-com.ezproxy.haaga-helia.fi/docview/197149944/3A00DE90475944DBPQ/1?accountid=27436> Accessed 1<sup>st</sup> May, 2019

Ensto. 2020. Homepage. URL: <https://www.ensto.com/> Accessed 10<sup>th</sup> March, 2020

E-sprinkleroy.2020a. Fireproof junction box. URL: [https://e-sprinkleroy.com/index.php?route=product/product&product\\_id=79](https://e-sprinkleroy.com/index.php?route=product/product&product_id=79) Accessed 10<sup>th</sup> April 2020

E-sprinkleroy.2020b. Catalog. Boxes. URL: [https://e-sprinkleroy.com/en\\_catalog/en\\_boxes/](https://e-sprinkleroy.com/en_catalog/en_boxes/) Accessed 11<sup>th</sup> April, 2020

Fibox.2018. Brief History. URL: [http://fibox.com/192/Brief%20History\\_ENG3.html](http://fibox.com/192/Brief%20History_ENG3.html) Accessed 21<sup>st</sup> March 2020

Forsgren, M.2002. The concept of leaning in the Uppsala internationalization process model: a critical review. International Business Review, 11: 257-277. URL:



<https://search.proquest.com/docview/1946307571?pq-origsite=primo> Accessed 6<sup>th</sup> May, 2019

Garo. 2020. Yritys. URL: <https://garo.fi/yritys/> Accessed 11<sup>th</sup> March 2020

Gefest-spb. 2018a. Homepage. URL: <http://gefest-spb.ru/> Accessed 23<sup>rd</sup> November, 2018

Gefest-spb. 2018b. About us. URL: <http://gefest-spb.ru/gefest.html>, Accessed 23<sup>rd</sup> November and 3<sup>rd</sup> December, 2018

Gefest-spb. 2018c. Documents. URL: <http://gefest-spb.ru/documents.html>, Accessed: 26<sup>th</sup> November and 3<sup>rd</sup> December, 2018

Gefest-spb. 2018d. Presentation. URL: <http://gefest-spb.ru/prezentation.html> Accessed 25<sup>th</sup> April 2019

Gefest-spb. 2018e. Our dealers. URL: <http://gefest-spb.ru/dealers.html> Accessed 18<sup>th</sup> March, 2020

Gefest-spb. 2018f. Cable line. URL: <http://gefest-spb.ru/cabel/> Accessed 18 March, 2020

Gefest-spb. 2018g. Patents. URL: <http://gefest-spb.ru/patent.html> Accessed 18<sup>th</sup> March, 2020

Glowik, M. 2016. Market Entry Strategies: Internationalization Theories, Concepts and Cases of Asian High-Technology Firms: Haier, Hon Hai Precision, Lenovo, LG Electronics, Panasonic, Samsung, Sharp, Sony, TCL, Xiaomi. URL: <https://ebookcentral.proquest.com/lib/haaga/reader.action?docID=4451853> Accessed 11 and 15 March, 2019

Hensel Electric. 2020. Homepage. 2020. URL: <https://www.hensel-electric.de/en/>  
Accessed 11<sup>th</sup> March, 2020

Inventive problem solving. 2020. Guided brainstorming. URL: <http://www.inventive-problemsolving.com/problem-solving-tool-box/guided-brainstorming/> Accessed 11<sup>th</sup> February, 2020

Johanson, J & Vahlne, J-E. 1977. The internationalization process of the firm: a model of knowledge development and increasing foreign market communities. Journal of international Business studies, 8(1):23-32. UHL: <https://search-proquest-com.ezproxy.haaga-helia.fi/docview/197407744/A8CCFF0B06864EF6PQ/1?accountid=27436> Accessed 5<sup>th</sup> May, 2019

Johanson, J & Vahlne, J-E. 1999. The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. Journal of International Business Studies, suppl. The JIBS 40/AIB50 Anniversary Issue: Innovations in; Basingstoke Vol. 40, Iss. 9, (Dec 2009). UHL: <https://search-proquest-com.ezproxy.haaga-helia.fi/docview/197134746> Accessed 6<sup>th</sup> May, 2019

Khairu Baharein Mohd Noor. 2008. Case Study: A Strategic Research Methodology. American Journal of Applied Science 5(11): 1602-1604.  
URL: [https://hhmoodle.haaga-helia.fi/pluginfile.php/1184452/mod\\_resource/content/1/CSR%20reading1.pdf](https://hhmoodle.haaga-helia.fi/pluginfile.php/1184452/mod_resource/content/1/CSR%20reading1.pdf) Accessed 18 and 19<sup>th</sup> November, 2018

Kopos. 2020. What is the halogen-free material? What is the different between halogen free and PVC material? URL: <https://www.kopos.com/en/faq/1084-what-halogen-free-material-what-different-between-halogen-free-and-pvc-material> Accessed 27<sup>th</sup> April, 2020

Kotler, P. 1997. Marketing Management-Analysis, planning, Implementation and Control. 9<sup>th</sup> Edition, Englewood Cliffs: Prentice-Hall.

Martin, M. 2019. How Porter's Five Forces can help small businesses analyses the competition. Business new daily. December 3, 2019. URL: <https://www.businessnews-daily.com/5446-porters-five-forces.html> Accessed 6th March, 2020

Ministry of Finance. 2020a. Economic growth continue at a steady rate. URL: [https://vm.fi/en/article/-/asset\\_publisher/talouskasvu-jatkuu-maltillisesti](https://vm.fi/en/article/-/asset_publisher/talouskasvu-jatkuu-maltillisesti) Accessed 10th February, 2020

Ministry of Finance. 2020b. OECD Public Governance Reviews. Finland. Working together to sustain success. URL: <https://vm.fi/documents/10623/307541/OECDn+arvioinnin+tiivistelm%C3%A4+ja+keskeiset+toimenpidesuosituks+englanniksi.pdf/136ede64-e603-4509-aa26-f88448dc1fb4/OECDn+arvioinnin+tiivistelm%C3%A4+ja+keskeiset+toimenpidesuosituks+englanniksi.pdf> Accessed 7th May, 2020

Niethammer, C 2019. Finland's New Government Is Young and Led By Women—Here's What The Country Does To Promote Diversity. Forbes. 12.12.2019. URL: <https://www.forbes.com/sites/carmenniethammer/2019/12/12/finlands-new-government-is-young-and-led-by-women-heres-what-the-country-does-to-promote-diversity/#68a5854c35aa> Accessed 23<sup>rd</sup> February 2020

Norjaya Mohd Yasin, Mohd Nasser Noor & Osman Mohamad, 2007. Does image of country of origin matter to brand equity? URL: [https://www.academia.edu/3182506/Does\\_image\\_of\\_country-of-origin\\_matter\\_to\\_brand\\_equity](https://www.academia.edu/3182506/Does_image_of_country-of-origin_matter_to_brand_equity) Assessed 6th May, 2019

Obo-bettermann. 2018. Homepage. URL: <https://obo-bettermann.com/en-wo/> Accessed 10<sup>th</sup> March, 2020

Onninen. 2020a. Jakorasia. URL: <https://www.onninen.fi/search?term=jakorasia> Accessed 10<sup>th</sup> March, 2020

Onninen. 2020b. Tepex jakorasia. URL: <https://www.onninen.fi/tepex-jakorasia-atex-rk-01-514-5x4mm2-6xm25-ip66/p/CCD454?term=tepex> Accessed 10<sup>th</sup> March, 2020

Onninen. 2020c. About Onninen. URL: <https://www.onninen.fi/en/> Accessed 23<sup>rd</sup> March, 2020

Oviatt, B., & McDougall, P. 1994. Toward a theory of international new ventures. Journal of International Business Studies; First Quarter 1994; 25, 1; ProQuest URL: <https://search-proquest-com.ezproxy.haaga-he-lia.fi/docview/197155297/fulltextPDF/B35A8A3A41F741DEPQ/1?accountid=27436> Accessed 11<sup>th</sup> May 2019

Poter, M.E. 1990. The competitive advantage of Nations. Harvard Business Review. Boston Vol. 68, Iss 2 Mar/Apr 1990 URL: [web.b.ebscohost.com.ezproxy.haaga-he-lia.fi:2048/ehost/pdfviewer/pdfviewer?vid=1&sid=4af0f2ec-71e6-4daf-bf70-1e928425c55e%40sessionmgr10](http://web.b.ebscohost.com.ezproxy.haaga-he-lia.fi:2048/ehost/pdfviewer/pdfviewer?vid=1&sid=4af0f2ec-71e6-4daf-bf70-1e928425c55e%40sessionmgr10), Accessed 12<sup>th</sup> May, 2019

Poter, M.E. 2008. The five competitive forces that shape strategy. Harvard Business Review. January 2008. URL: <https://hbr.org/2008/01/the-five-competitive-forces-that-shape-strategy> Accessed 6<sup>th</sup> March, 2020

Research-methodology. 2019. Exploratory research. URL: <https://research-methodology.net/research-methodology/research-design/exploratory-research/> Accessed 22<sup>nd</sup> January, 2020

Sahkonumerot. 2020a. Homepage. URL: <https://www.sahkonumerot.fi/en/BrieflyInEnglish> Accessed 5<sup>th</sup> April, 2020

Sahkonumerot. 2020b. Mikä on sähkönumero. URL: <https://www.sahkonumerot.fi/fi/tietoa-ja-ohjeet/mika-on-sahkonumero> Accessed April 5<sup>th</sup>, 2020

Saunders, M.N.K, Lewis ,P & Thornhill, A. 2016. Research methods for business students. URL: <https://ebookcentral.proquest.com/lib/haaga/reader.action?docID=5138717>  
Accessed 10th, 14 May 2019

Schlich, A. 2018, MGT4LG210-6 International Marketing. Haaga-Helia course material.  
The international marketing planning process

Schneider Electric. 2020. Homepage URL: <https://www.se.com/fi/fi/> Accessed 10<sup>th</sup> March, 2020

Silverman, D. 2009. Interpreting qualitative data. Third Edition. Methods for Analyzing Talk, Text and Interaction. Sage publication Ltd, London

Slo 2020a. Yritys. URL: <https://verkkokauppa.slo.fi/fi/yritys> Assessed 23<sup>rd</sup> March, 2020,  
Accessed 23<sup>rd</sup> March

Slo 2020b. Palvelut. URL: <https://verkkokauppa.slo.fi/fi/slo-helpoin-paikka-asioida/palvelut>  
Assessed 23<sup>rd</sup> March, 2020

Slo 2020c. Tuoteluettelo. URL: <https://verkkokauppa.slo.fi/fi/palonkestava-jakorasiasia-e90-ora-fk-0402-1-5mm2-ip65-66-1608220> Accessed 6<sup>th</sup> May 2020

Spelsberg. 2020. Homepage. URL: <https://www.spelsberg.com/> Accessed 10<sup>th</sup> March, 2020

Trading Economics.2020. Currency. URL: <https://tradingeconomics.com/forecast/currency>  
Accessed 7<sup>th</sup> May 2020

Thompson, J.2002. Strategic Management, 4<sup>th</sup> Edition, London: Thomson.

Tomlaine. 2020. LinkedIn stats for Nordic countries. URL: <https://www.tomlaine.com/blog/linkedin-stats-for-nordic-countries-october-2018> Accessed 2nd April, 2020

Vanteenkiste, M & Sheldon. K.M. 2006. There's nothing more practical than a good theory: Integrating motivational interviewing and self-determination theory. British Journal of Clinical Psychology. URL: [http://selfdeterminationtheory.org/SDT/documents/2006\\_VansteenkisteSheldon\\_BJCP.pdf](http://selfdeterminationtheory.org/SDT/documents/2006_VansteenkisteSheldon_BJCP.pdf) Accessed 26th April, 2019

Vernon, R. 1966. International investment and international trade in product cycle. Quarterly Journal of Economics, 190-207. URL: <http://bev.berkeley.edu/ipe/readings/International%20Investment%20and%20International%20Trade%20in%20the%20Product%20Cycle.pdf>  
Accessed 27<sup>th</sup> and 28<sup>th</sup> April, 2019 and 6th May, 2020

Wilson, R. 1974. Competitor analysis. Management Accounting. Apr 1994, Vol.72(4), London, URL: <https://search-proquest-com.ezproxy.haaga-he-lia.fi/docview/195680512/fulltextPDF/1996D8BD8E5F43F9PQ/1?accountid=27436>  
Accessed 10<sup>th</sup> March 2020

World Economic Forum.2020. Gender gap 2020 report. URL: <https://www.weforum.org/reports/gender-gap-2020-report-100-years-pay-equality> Accessed 7<sup>th</sup> May 2020

Zahra, S.A., Ireland, R.D. & Hitt, M.A. 2000. International expansion by new venture firms: international diversity, mode of market entry, technological learning and performance. Academy of Management Journal, 43 (5) URL: <http://web.b.ebscohost.com.ezproxy.haaga-he-lia.fi:2048/ehost/pdfviewer/pdfviewer?vid=1&sid=7aad134f-d62d-46d1-b2f1-62afce909c52%40sessionmgr101>, Accessed 11<sup>th</sup> May 2019

Yong. J. 2019. Academia.edu. Porter's Competitive Advantage of Nations - A Critique. URL: [https://www.academia.edu/6992732/Porters\\_Competitive\\_Advantage\\_of\\_Nations\\_-\\_A\\_Critique](https://www.academia.edu/6992732/Porters_Competitive_Advantage_of_Nations_-_A_Critique) Accessed 12th May 2019

## **Appendices**

### **Appendix 1. Details of data collection by interviews (confidential)**

## Appendix 2. Technical passport of fireproof junction box JBG1515M IP66 (16\*2,5)

(based on e-sprinkleroy.com 2020a)



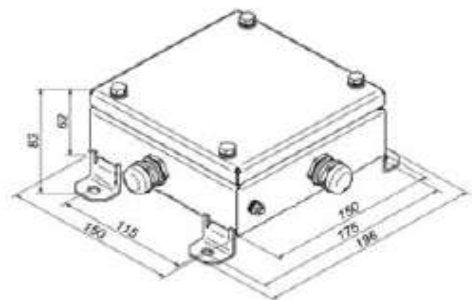
**E-Sprinkler Oy**

### JBG1515 M IP66

#### Fireproof steel coated junction box

#### JBG1515 M IP66 (16x2,5)

WERIT terminal blocks 2x2.5 (16 contacts);  
RST M20x1,5 cable glands – 4pcs.;  
stainless steel;  
diameter of connected cable 6-12 mm<sup>2</sup>



A box consists of a frame, a cap with a gasket and fittings. There are clamps installed inside the box for connection of terminal blocks. Grounding is provided via a grounding clamp according to GOST 12.2.007.

#### Structure of nomenclature:

**JBG 1515 M IP66 (16 \* 2,5) 4 (6-12)**

- designation JBG
- side of the body 150x150
- material of the body stainless steel
- protection cover IP66
- quantity of contacts of terminals 16
- types of terminal blocks WERIT2,5
- quantity of cable glands 4 pcs
- diameter of connected cable 6-12 mm<sup>2</sup>



### Appendix 3. Hensel Fire room standards.



#### 6 Brandraumtemperaturen 6 Fire Room Temperatures

##### 6 Brandraumtemperaturen

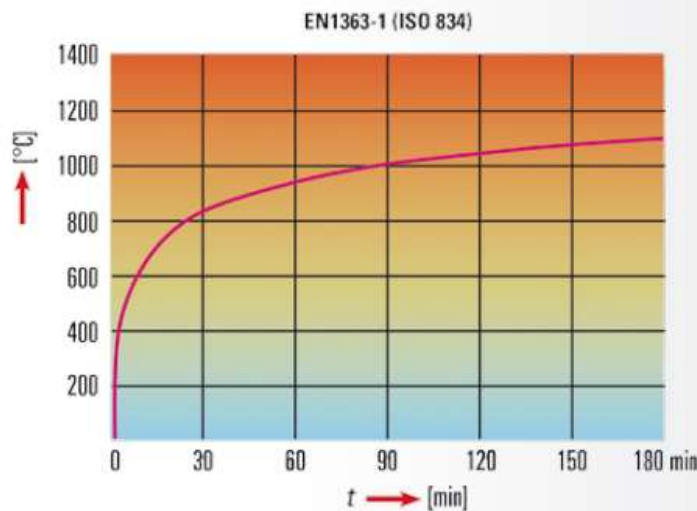
Im Allgemeinen müssen alle Baustoffe in den Brandraumtemperaturen gemäß der Norm EN 1363-1 (ISO 834) geprüft sein. Die Einheits-Temperaturzeitkurve zeigt die Prüftemperaturen erfahrungsgemäßer Brandfälle. Die Prüftemperatur beträgt bei 60 Minuten 945° C.

Es gibt außerdem auch andere Brandraumtemperaturen, z. B. Tunnelkurven, Hydrocarbon-Kurven usw. Sie sind Ausnahmen und sollen bei Sonderobjekten in Betracht gezogen werden.

##### 6 Fire Room Temperatures

*In general all building materials in the fire room temperatures need to be tested in accordance with the EN 1363-1 (ISO 834) standard. The standard temperature time curve displays the test temperatures based on experience with previous fires. The test temperature is 945° C for 60 minutes.*

*There are also other fire room temperatures, e.g. tunnel curves, hydrocarbon curves etc. They are exceptions and should be taken into account for special objects.*



Prüftemperaturkurve nach EN 1363-1  
Test temperature curve in accordance with EN 1363-1

#### **Appendix 4. List of questions for the interview with experts (confidential)**